by Therese M. Cruciano

pproximately 77 percent of the individual income tax returns for 1991 and 76 percent of the returns for 1992 showed an income tax liability [1]. The tax reported totaled \$448.4 billion for 1991, increasing to \$476.2 billion for 1992. The average tax (tax per taxable return) increased 8.6 percent from \$5,054 per return to \$5,491 per return, while the average tax rate for these "taxable returns" grew from 13.4 percent of "adjusted gross income" to 13.7 percent.

The increase in the average tax rate for 1992 reversed the decline that began after 1988, the first year of the effective three-rate tax bracket structure (the two-rate tax bracket structure coupled with the 5 percent surtax) initiated by the Tax Reform Act of 1986 (TRA'86). The average tax rates starting with 1985, the year before the passage of TRA'86, were 14.4 for 1985, 15.1 for 1986, 13.7 for 1987, 13.8 for 1988, then 13.7, 13.6, 13.4, and, finally, 13.7 for 1992.

Direct comparisons, however, of average tax rates for years-following 1986-with those for earlier years can be misleading. The many changes in tax treatment of income, losses, and deductions introduced by TRA'86 resulted in an expanded definition of adjusted gross income (AGI) [2]. All else being equal, the broadened definition of AGI would have reduced the average income tax rate, even if economic income and tax rates had remained unchanged. To overcome this limitation and facilitate comparisons of income and income tax rates before and after the redefinition of AGI, the AGI statistics were recomputed for 1985 and subsequent years using a consistent definition of income. Using this consistent income definition, the average tax rates became 13.6 percent for 1985 and 1986; then, starting with 1987, the percentages were 13.5, 13.7, 13.6, 13.4, 13.2, and finally 13.4 percent for 1992. Even when using this consistent income definition, 1992 was the first year since 1988 that the average tax rate had increased.

Of the 1991 returns with positive AGI, 11.4 million returns in the top 10 percentile group reported \$1,343.2 billion in AGI and \$250.3 billion in total income tax. These returns, while earning 38.2 percent of AGI, reported 55.8 percent of total income tax. Using the consistent income definition, the income of this top percentile was \$1,390.4 billion, accounting for 38.9 percent of total income, and their total income tax was \$246.7 billion, or 55.1 percent of total income tax reported. For 1992, 11.3 million returns with positive AGI in the top 10 percentile group reported \$1,443.8 billion in income and \$276.2

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billion in total income tax, representing a 39.2 percent share of total income and a 58.0 percent share of the total income tax. Using the consistent income definition, these returns showed income of \$1,508.9 billion and total income tax of \$272.3 billion, accounting for 40.1 percent of total AGI and 57.2 percent of total income tax reported.

Income Tax Structure

Each year, taxpayers must file an income tax return if they meet certain minimum filing requirements. The filing requirements for 1991 and 1992 were based on the amount of "gross income," filing status, age, and, to a lesser extent, on dependency and blindness [3]. Generally, the minimum level of income for which a return was required to be filed equaled the sum of the standard deduction for the particular filing status and the amount of the personal exemption deduction allowed for the taxpayer (but not for any dependents). In addition to the general filing requirements, individuals were required to file a return for Tax Years 1991 and 1992 if they had net earnings from self-employment income of at least \$400; liability for social security or Medicare tax on unreported tip income; social security, Medicare, or railroad retirement tax on reported tip income or group-term life insurance; "alternative minimum tax"; tax on a qualified retirement plan, including an Individual Retirement Arrangement (IRA); tax on recapture of investment credit or low-income housing credit; recapture tax on the

For 1992, the top 5 percent of tax returns, with "adjusted gross income" of at least \$85,103, reported 45.88 percent of the total individual income tax.

disposition of a home purchased with a federally-subsidized mortgage; any advance earned income credit payments; or wages of \$108.28 or more from a church or qualified church-controlled organization that was exempt from social security taxes.

Gross income includes all income (legal or illegal), received in the form of money, goods, property, or services, that was not expressly exempt from tax [4]. Adjusted gross income (AGI) is equal to gross income less deductions for certain expenses [5]. "Taxable income," the base on which income tax before credits is computed, equals AGI less the amount for personal exemptions and less either total allowable itemized deductions for taxpayers who itemized deductions, or the standard deduction (including the additional amounts for age and blindness) for all other taxpayers. Income tax before credits is calculated on taxable income using the tax table or tax rate schedules that vary with taxpayer filing status (single,

married filing jointly, surviving spouse, married filing separately, and head of household). For 1991 and 1992, the tax rates for each filing status were 15, 28, and 31 percent, with a maximum rate of 28 percent on net long-term capital gains (in excess of short-term capital losses).

To calculate their Federal income tax liability for 1991 or 1992, taxpayers either used the (look-up) tax table or the tax rate schedules. Taxpayers with taxable income less than \$50,000 (\$100,000 for 1992) were required to use the tax table, while those with taxable income of \$50,000 or more (\$100,000 or more for 1992) were required to use the tax rate schedules. The tax table was based on income tax "brackets" that were \$50 wide with the midpoint of the bracket used to calculate the tax which was rounded to the nearest dollar. As a result, the tax table and the tax rate schedules could produce different amounts of tax for the same amount of taxable income. For taxpayers using the tax table with taxable income that was subject to the 31 percent marginal rate, the maximum differences in tax between the tax rate schedules and the tax table for 1991 and 1992 were \$7.75 and \$8.00, respectively [6]. However, the actual difference in tax was smaller for almost all taxpayers. Use of the tax table could have produced either a slightly higher or lower amount of tax than that produced by the tax rate schedules.

Major Tax Law Changes for 1991 and 1992

Tax Year 1991 was the first year of the 15, 28, and 31 percent tax rate system. The top tax rate on net long-term capital gains remained 28 percent, the maximum rate for all types of income for 1990 [7].

Beginning with 1991, a taxpayer's personal exemption deduction was limited, based on filing status, if AGI exceeded certain amounts. For each filing status, if a taxpayer reported AGI below the bottom threshold, the entire deduction was allowed; if AGI was more than the upper limit, the deduction was disallowed entirely. For single taxpayers, the limitation began at \$100,000 and was completed at \$222,500; for married taxpayers filing jointly and surviving spouses, the limitation began at \$150,000 and was completed at \$272,500; for heads of households, the limitation began at \$125,000 and was completed at \$247,500; and for married taxpayers filing separately, the limitation began at \$75,000 and was completed at \$136,250. These limitation thresholds are adjusted for inflation yearly (the beginning and ending limitation points are indexed, the width of the range remains constant). The exemption deduction was reduced by 2 percent for each \$2,500, or part of \$2,500 (\$1,250 if married filing separately), that AGI exceeded the limitaAlmost 48 percent of 1992 income tax before credits was generated by the 15 percent tax rate; about 29 percent by the 28 percent tax rate; and 23 percent by the 31 percent tax rate. tion thresholds. For 1992, the personal exemption phaseout for single taxpayers began at \$105,250 and was completed at \$227,750; for married taxpayers filing jointly and surviving spouses, the limitation began at \$157,900 and was

completed at \$280,400; for heads of households, it began at \$131,550 and was completed at \$254,050; and for married taxpayers filing separately, it began at \$78,950 and was completed at \$140,200. For 1990, the phaseout of exemptions was based on filing status and taxable income, rather than AGI.

In addition, itemized deductions for taxpayers with AGI exceeding \$100,000 (\$50,000 if married filing separately) for 1991 and \$105,250 (\$52,625 if married filing separately) for 1992 were subject to a limitation. The limitation did not apply to the deductions for medical and dental expenses, investment interest expenses, casualty and theft losses, or gambling losses. Total itemized deductions were reduced by the smaller of 80 percent of the non-exempt deductions, or 3 percent of the amount of AGI in excess of the threshold amounts.

Certain changes legislated by TRA'86 continued to have an impact for 1991. The phaseout of the itemized deduction for personal interest (i.e., interest on credit card balances, car loans, or personal loans) was completed for 1991. For 1990, the deduction had been limited to 10 percent of personal interest. Likewise, the 5-year phaseout of the deduction for "passive losses" concluded for 1991 with losses from passive activities no longer deductible from other types of non-passive income [8].

Other major changes in the tax law included an increase in the alternative minimum tax rate from 21 to 24 percent; a new method of computing the earned income credit; and a change in the earnings subject to self-employment tax. The maximum amount of self-employment income subject to the social security part of the self-employment tax rate (12.4 percent) was \$53,400 (\$55,500 for 1992), while the maximum amount subject to the Medicare part (2.9) percent) was \$125,000 (\$130,200 for 1992). Prior to 1991, the social security and Medicare tax bases were the same. Beginning with 1991, the earned income credit was the sum of three component credits: the basic earned income credit; the health insurance credit; and the extra credit for a child born during the tax year. In addition, the earned income credit, personal exemption amounts, standard deduction, and the width of each tax bracket were adjusted for inflation [9].

SOI Income Concepts

To analyze changes in income and taxes over a period of years, a consistent definition of income should be used. Because the components of AGI vary from year to year, the "1979 Income Concept" was developed to provide a more uniform measure of income across tax years. By including the same income and deduction items in each year's income calculation and using only items available on Federal individual income tax returns, the definition of the 1979 Income Concept is consistent throughout the base years and can be used for future years to compare income by including components common to all years. Tax Years 1979 through 1986 were used as base years in identifying the income and deduction items included in this concept. The 1979 Income Concept applied to 1991 and 1992 includes many income and deduction items that are also components of AGI (Figure A). However, unlike AGI, the 1979 Income Concept also includes nontaxable (i.e., tax-exempt) amounts of income reported on individual income tax returns, as well as disallowed passive loss deductions. In addition, only straight-line deductions for depreciation are included in the 1979 Income Concept [10].

Each year, a relatively small number of returns for prior years are filed during the same period in which returns for the current year are being selected for Statistics of Income--Individual Income Tax Returns. These returns are included in the statistics as proxies for current-year tax returns that will be filed during a later year. Because the tax on these returns is based on previous years' tax laws, which reflect different tax rates and income concepts, the taxable income reported on these prior-year returns was "modified" for the statistics in this article by substituting the taxable income necessary to generate the amount of tax reported on the return, using the current year's tax law. For returns other than prior-year returns, "modified taxable income" is generally the same as taxable income.

Income Tax Rates

Discussions of income tax rates generally, either explicitly or implicitly, center on measuring two distinct tax rates: average tax rates and marginal tax rates. Average tax rates are calculated by dividing some measure of tax by some measure of income. For this article, the average tax rate is defined as "total income tax" divided by "adjusted gross income" reported on returns showing some income tax liability. Measures of marginal tax rates, on the other hand, focus on determining the tax rate imposed on the last (or next) dollar of income received by a taxpayer. For the statistics in this article, the marginal tax rate is defined as the statutory rate at which the last

Figure A

Components of the 1979 Income Concept, 1991-1992

Income or Loss:

Salaries and wages¹

Interest¹

Dividends1

Alimony received¹

Capital gains reported on Schedule D minus allowable losses¹ Capital gains and losses not reported on Schedule D¹

Other gains and losses (Form 4797)1

Business net income or loss¹

Farm net income or loss1

Royalty net income or loss¹

Partnership net income or loss¹

Subchapter S Corporation net income or loss¹

Farm rental net income or loss1

Estate or trust net income or loss1

Unemployment compensation¹

Depreciation in excess of straight-line depreciation²

Total pension income³

Other net income or loss

Deductions:

Disallowed passive losses (Form 8582)

Moving expenses⁵

Alimony paid1

Unreimbursed business expenses⁵

*Included in adjusted gross income for Tax Years 1991 and 1992.

dollar of taxable income is taxed. The following sections describe the measurement of the average and marginal tax rates in more detail and discuss the statistics based on these rates for 1991 and 1992.

Average Tax Rates

Statistics for 1985 through 1992 on income (based on each year's definition of AGI, as well as on the common 1979 Income Concept) and taxes reported are presented (Figure B). These tax years can be partitioned into four distinct sub-periods: (1) Tax Years 1985 and 1986, the last 2 years under the Economic Recovery Tax Act of 1981 or ERTA'81, which indexed the tax bracket boundaries, personal exemptions, and standard deductions for inflation; (2) Tax Year 1987, the first year under TRA'86, which included a 1-year transitional 5-bracket tax rate structure and a partial phase-in of new provisions that broadened the definition of AGI; (3) Tax Years 1988 through 1990, the first 3 years under the "effective" three-rate tax bracket structure and the continuing phase-in of the provisions of TRA'86; and (4) Tax Years 1991 and 1992, the first 2

²Adjustment to add back excess depreciation (accelerated over straight-line depreciation) deducted in the course of a trade or business and included in net income (loss) amounts shown above.

³Includes taxable and tax-exempt pension and retirement distributions.

⁴Includes an adjustment to add back amounts reported for the "foreign eamed income exclusion."

⁵Reported on Schedule A, Form 1040, for those taxpayers who reported itemized deductions.

Figure B

Adjusted Gross Income, Total Income Tax, Average Tax Rate, and Average Total Income Tax, Tax Years 1985-1992

						axable returns				
Tax	Total							Average r	per return 3	
year	number of	Number	Asa	Adjusted	Total	Average		dollars	Constan	t dollars 1
	retums	of	percentage	gross	income	tax rate	Adjusted	Total	Adjusted	Total
		returns	of total returns 1	income (less deficit)	tax	(percent) 2	aross income	income tax	gross	income tax
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
				Using each ta	x year's adjuste	ed gross income	concept 6			
1985	101,660,287	82,846,420	81.5	2,259	326	14.4	27,268	3,931	25,342	3,653
1986	103,045,170	83,967,413	81.5	2,440	367	15.1	29,062	4,374	26,516	3,991
1987	106,996,270	86,723,796	81.1	2,701	369	13.7	31,142	4,257	27,414	3,747
1988	109,708,280	87,135,332	79.4	2,990	413	13.8	34,313	4,738	29,005	4,005
1989	112,135,673	89,178,355	79.5	3,158	433	13.7	35,415	4,855	28,560	3,915
1990	113,717,138	89,862,434	79.0	3,299	447	13.6	36,711	4,976	28,088	3,807
1991	114,730,123	88,733,587	77.3	3,337	448	13.4	37,603	5,054	27,609	3,711
1992	113,604,503	86,731,946	76.3	3.484	476	13.7	40,168	5,491	28.630	3.914
					Jsing 1979 Inco	me Concept				
1985	101,660,287	82,846,420	81.5	2,403	326	13.6	29,003	3,931	26,954	3,653
1986	103,045,170	83,967,413	81.5	2,703	367	13.6	32,194	4,374	29,374	3,991
1987	106,996,270	86,723,796	81.1	2,736	369	13.5	31,551	4,257	27,774	3,747
1988	109,708,280	87,135,332	79.4	3,011	413	13.7	34,556	4,738	29,210	4,005
1989	112,135,673	89,178,355	79.5	3,188	433	13.6	35,752	4,855	28,832	3,915
1990	113,717,138	89,862,434	79.0	3,335	447	13.4	37,108	4,976	28,392	3,807
1991	114,730,123	88,733,587	77.3	3,387	448	13.2	38,169	5,054	28,024	3,711
1992	113,604,503	86,731,946	76.3	3,553	476	13.4	40,965	5,491	29,198	3,914

- 1 Number of taxable returns (column 2) divided by total number of returns (column 1).
- ² Average tax rate is "total income tax" (column 5) as a percentage of adjusted gross income (AGI) (column 4).
- The average adjusted gross income, average total income tax, and average tax rate were calculated from unrounded data.

years under a new basic three-rate tax bracket structure, the limitations on some itemized deductions, and the phaseout of personal exemptions.

There were 114.7 million and 113.6 million individual returns filed for Tax Years 1991 and 1992, respectively. Of these returns, 88.7 million, or 77.3 percent, were "taxable returns" for 1991; and 86.7 million, or 76.3 percent, were taxable returns for 1992. Total adjusted gross income reported on taxable returns increased 1.2 percent to \$3,337 billion for 1991 and 4.4 percent to \$3,484 billion for 1992. Using the 1979 Income Concept, income increased 1.6 percent to \$3,387 billion for 1991 and 4.9 percent to \$3,553 billion for 1992. Taxpayers reported \$448 billion in total income tax for 1991, about \$1 billion more (0.2 percent) than for 1990. For 1992 income tax totaled \$476 billion, an increase of \$28 billion, or 6.3 percent.

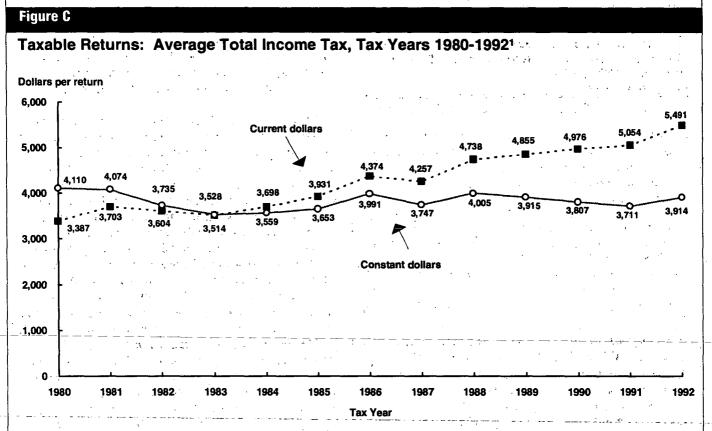
In current dollars, average AGI and total income tax increased from 1991 to 1992. Average AGI increased 2.4 percent to \$37,603 for 1991 and 6.8 percent to \$40,168 for 1992, while average tax increased to \$5,054 (1.6 percent) and \$5,491 (8.6 percent) for 1991 and 1992, respectively. After adjusting for inflation, however, both average AGI and tax continued to be less than the peak

levels of \$29,005 and \$4,005 reported for Tax Year 1988. The average total income tax, based on taxable returns, in both current and constant dollars for Tax Years 1980 (the year prior to the enactment of ERTA'81) through 1992 is shown (Figure C).

Because TRA'86 reduced statutory tax rates and broadened the definition of AGI (i.e., by eliminating or limiting the preferential treatment of various tax items, such as by restricting the use of passive losses to offset non-passive income and by eliminating the beneficial tax treatment of net long-term capital gains), comparisons of average tax rates over time, based on current-year definitions of AGI, become less meaningful. All else being equal, the redefinition of AGI under TRA'86, which increased AGI, would result in a decrease in the average tax rate. A comparison of unadjusted average tax rates based on each year's "current" definition of AGI (Figure B), does show the expected drop in the average tax rate for 1987; the average tax rates fell from 15.1 percent for 1986 (the last year prior to TRA'86) to 13.7 percent for 1987 (the transitional first year following the enactment of TRA'86). However, when the common 1979 Income Concept, which standardizes AGI across tax years, is used to calculate the average tax rates, the magnitude of the

⁴ Constant dollars are based on the Consumer Price Index (CPI-U, 1982-1984=100) computed and reported by the U.S. Department of Labor, Bureau of Labor Statistics, and published in the Economic Report of the President, February 1995.

⁵ These statistics are based on adjusted gross income (AGI) recomputed to reflect the 1979 Income Concept, thus enabling more valid comparisons to be made of the average tax rates among years. Changes in the definition of AGI among years render direct comparison of the unadjusted figures misleading. For additional information, see Statistics of Income-Individual Income Tax Returns, for 1985-1992.



¹Taxable returns are returns that show a tax liability based either on income tax before credits or alternative minimum tax.

NOTE: Constant dollars are based on the Consumer Price Index (CPI-U,1982-1984=100) computed and reported by the U.S. Department of Labor, Bureau of Labor Statistics, and published in the Economic Report of the President, February 1995.

decrease is much smaller; the average tax rate fell from 13.6 percent for 1986 to 13.5 percent for 1987.

Using either measure of income (AGI or the 1979 Income Concept), average tax rates declined steadily from 1988 through 1991, then increased slightly for 1992. Average tax rates based on current-law AGI fell from 13.8 percent for 1988 to a low of 13.4 percent for 1991, before increasing to 13.7 percent for 1992. Average tax rates based on the 1979 Income Concept dropped from 13.7 percent to 13.2 percent over the same period, 1988 through 1991, before increasing slightly to 13.4 percent for 1992.

Marginal Tax Rates

Under the progressive U.S. tax rate structure, different portions of taxable income are taxed at different rates. How income tax is determined for a single taxpayer with AGI of \$100,000 and using the standard deduction is illustrated (Figure D). As shown in the example, three different tax rates are applied to the taxable income to arrive at total tax. For 1991, the first \$20,350 of taxable income was taxed at the 15 percent rate. After the ceiling on the 15 percent bracket was adjusted for inflation, the

first \$21,450 was taxed at this rate for 1992. The next \$28,950 (\$30,450 for 1992) of taxable income was taxed at the 28 percent rate, and the next \$45,150 (\$42,200 for 1992) was taxed at the 31 percent rate. For purposes of this article, the tax rate applied to the last dollar of income (given certain assumptions about which source of income provided the last dollar of income subject to tax) is the marginal tax rate for that return. The examples shown have a marginal tax rate of 31 percent.

Since the individual income tax structure includes various types of income, deductions, exclusions, credits, and taxes, which are not subject to the same treatment under the tax laws, determining marginal tax rates can be difficult. For instance, investment income of a dependent under age 14 in excess of a specific amount is treated differently from salaries and wages of the same dependent. The investment income in excess of \$1,100 for 1991 (\$1,200 for 1992) was taxed as if it were the marginal income of the parents, while the salaries and wages were taxed at the dependent's own rate.

Calculating marginal tax rates for a specific individual income tax return generally depends on the types and amounts of income reported and the assumptions made

Figure D

Income Tax Calculation for a Single Taxpayer With One Exemption Who Used the Standard Deduction, Tax Years 1991 and 1992

[Money amounts are in whole dollars]

	Item	1991	1992
Adjusted	gross income	100,000.00	100,000.00
Less:	Exemption amount	2,150.00	2,300.00
	Standard deduction amount	3,400.00	3,600.00
Equals	: Taxable income	94,450.00	94,100.00
Tax base	d on tax rates for single taxpayers:		
	mount taxed at 15 percent	3,052.50	3,217.50
(\$20,	350 for 1991, \$21,450 for 1992)		Ì
	mount taxed at 28 percent950 for 1991, \$30,450 for 1992)	8,106.00	8,526.00
Next a	mount taxed at 31 percent	13,996.50	13,082.00
(\$45,	150 for 1991, \$42,200 for 1992)		
Total tax	from tax rate schedule	25,155.00	24,825.50

about the order in which the income is taxed. Assumptions about which dollar was received "last" may be necessary in order to determine the marginal tax rate on the income received from having taken advantage of the "last" (or marginal) economic opportunity. This determination is complicated by the presence of items such as the alternative minimum tax and various tax credits.

For this article, it is assumed that the income taxed at the marginal rate was the "last" income received. Therefore, returns with taxable income below the 28 percent bracket threshold would have a top marginal tax rate of 15 percent. Returns reporting taxable income between the 15 percent and 31 percent bracket boundaries were considered to have a top marginal tax rate of 28 percent. Returns showing taxable income exceeding the 28 percent bracket ceiling were considered to have a top marginal tax rate of 31 percent. However, because of the special tax treatment of dependents under the age of 14 with investment income over certain amounts, tax returns filed with either an attached Form 8615 (filed for dependents under age 14 who have investment income exceeding \$1,100 for 1991, or \$1,200 for 1992) or an attached Form 8814 (filed by parents choosing to include the investment income of their dependents on their own return if they had no tax liability other than that generated by their dependents' income) are presented separately.

The classification of returns into marginal tax rate categories for Statistics of Income purposes was essentially a function of filing status, size of taxable income, presence of net long-term capital gains, and presence of a Form 8615 or a Form 8814. Returns were classified into one of the following six mutually exclusive marginal tax

rate categories: (1) 15 percent rate; (2) 28 percent rate; (3) 28 percent rate with net long-term capital gains [11]; (4) 31 percent rate; (5) Form 8814 (15 percent rate with no tax liability other than that generated by the dependent's income); and (6) Form 8615 (with income taxed at any rate) [12].

The marginal rate classifications described above were used for the statistics presented in Figures E and F, as well as in Tables 1 and 3. These statistics were based on individual income tax returns showing an amount for taxable income and items of income that were subject to the regular income tax, generally those included in AGI. Nontaxable (i.e., tax-exempt) forms of income, such as interest on State and local Government obligations, were not included in AGI and generally do not affect the marginal tax rate. However, the receipt of some forms of tax-exempt income could have influenced the taxability of other income, such as social security benefits. When this situation occurred, the income made taxable by the receipt of other forms of nontaxable income was included in AGI.

The amounts and percentages of modified taxable income and income tax generated (before reduction by tax credits) by the marginal rate categories defined above are presented (Figure E). For 1992, nearly \$481.9 billion in income taxes were generated from approximately 90.6 million individual returns with modified taxable income totaling \$2,396.2 billion. Roughly 72.2 percent of these returns, classified in the "15 percent" marginal rate category, reported 32.6 percent of the modified taxable income and generated 24.3 percent of the tax, while 23.9 percent of the returns in the "28 percent" category reported 40.1 percent of the modified taxable income and 38.3 percent of the tax. Approximately 3.7 percent of the returns, classified in the "31 percent" marginal rate category, accounted for 27.2 percent of the modified taxable income and 37.3 percent of the tax.

These percentage shares (Figure F) were fairly consistent across Tax Years 1989 - 1992, notwithstanding the change in the highest rate and the imposition of a maximum rate on net long-term capital gains for 1991. The percentages of returns in each marginal tax rate category (excluding the two special categories related to Forms 8615 and 8814) generally held steady over this period. The combined percentage shares of modified taxable income increased steadily in the "15 percent" and "28 percent" categories between 1989 and 1991, with a decrease for 1992. The percentage shares of income tax generated reflect this same pattern.

Statistics by marginal rate classification and filing status for returns with modified taxable income are presented (Tables 1 and 3). For each marginal rate classification, modified taxable income and "income tax generated"

Figure E

Returns With Modified Taxable Income: Income Tax Generated at All Rates on Returns With the Indicated Marginal Tax Rate, Tax Years 1991 and 1992

[All figures are estimates based on samples--Money amounts are in thousands of dollars]

	Number o	f returns	Modified tax	able income	Income tax	generated	
Marginal tax rate classes	1991	1992	1991	1992	1991	1992	
	(1)	(2)	(3)	(4)	(5)	(6)	
All rates	92,622,506	90,623,988	2,284,443,795	2,396,178,563	453,840,479	481,858,592	
15 percent (Form 8814) 1	14,539	15,343	9,290	13,605	1,396	2,040	
15 percent rate	66,262,407	65,415,652	750,360,144	782,295,947	112,522,686	117,313,349	
28 percent rate	22,421,332	21,338,580	921,181,089	918,527,517	174,593,915	173,837,152	
28 percent rate (capital gains) 2	263,781	278,650	35,594,604	41,626,611	8,962,543	10,550,448	
31 percent rate	3,372,671	3,368,224	576,163,142	652,659,361	157,425,551	179,876,205	
Form 8615 3	287,777	207,539	1,135,527	1,055,522	295,802	279,399	

¹ Form 8814 was filed for a dependent child under age 14 for whom the parents made an election to report the child's investment income (if it was from interest or dividends totaling between \$500 and \$5,000) on the parents' income tax return. This rate classification is comprised of those returns with a tax liability only from the dependents' income and thus the overall total adjusted gross income for these returns may be negative.

² Returns with net long-term capital gains taxed at the 28 percent rate.

NOTE: Detail may not add to totals because of rounding.

were computed "at all rates" and "at marginal rate." The "at all rates" computations (e.g., Tables 1 and 3, columns 3 and 5) show the total amount of modified taxable income or tax generated at the rate brackets specified; each tax rate classification is mutually exclusive. The "at marginal rate" computations (e.g., Tables 1 and 3, columns 4 and 6) report the specific amounts of modified taxable income taxed and the tax generated at the marginal rate bracket shown, for all returns in each of the marginal rate classifications. For example, consider returns in the "joint returns and returns of surviving spouses" filing status that were included in the "31 percent" marginal rate classification. The total modified taxable income and the total tax generated for the 2,247,074 returns in this classification for 1992 "at all rates" were \$513.8 billion (Table 3, column 3) and \$142.0 billion (Table 3, column 5), respectively. Approximately \$285.9 billion (Table 3, column 4) of the modified taxable income for 1992 was subject to tax at the marginal tax rate of 31 percent. This modified taxable income generated \$88.6 billion (Table 3, column 6) in tax at the 31 percent tax rate with the remainder generated by the lower (15 and 28 percent) tax rates. The alternative minimum tax was not included in the statistics by marginal tax rate.

Statistics on the tax generated, in total and at each marginal rate bracket, for returns with modified taxable income are provided (Tables 2 and 4). Returns are classified in these tables by size of AGI rather than by the marginal rate classifications used in Tables 1 and 3. The tax generated at each marginal tax rate was computed based on the modified taxable income for each individual return. For example, the 11.4 million returns included in

the "\$50,000 under \$75,000" AGI-size classification for 1991 showed total modified taxable income of \$481.3 billion and generated total tax of \$88.5 billion. Of this \$481.3 billion of modified taxable income, \$356.9 billion was taxed at 15 percent, \$120.8 billion was taxed at 28 percent, and \$2.9 billion was taxed at the 31 percent rate, with the remainder comprised of tax related to Form 8814 and net long-term capital gains taxed at the 28 percent rate. Roughly \$53.5 billion (or 60.5 percent) of the \$88.5 billion of total tax generated, was from the 15 percent rate, \$33.8 billion resulted from the 28 percent rate, nearly \$0.9 billion was from the 31 percent rate, with the remainder from tax related to Form 8814 and net long-term capital gains. For 1992, of the \$496.1 billion of modified taxable income reported on the nearly 11.8 million returns in the \$50,000 under \$75,000 AGI-size classification, approximately \$384.6 billion was taxed at the 15 percent rate, \$108.5 billion was taxed at the 28 percent rate, \$2.1 billion was taxed at the 31 percent rate, and the remainder was comprised of income reported on Form 8814, Form 8615, and net long-term capital gains taxed at the 28 percent rate. Of the almost \$89.0 billion of the total tax generated for 1992, about \$57.7 billion resulted from the 15 percent rate, nearly \$30.4 billion from the 28 percent rate, while \$0.7 billion was from the 31 percent rate, with the remainder resulting from tax associated with Form 8814, Form 8615, and net long-term capital gains.

Statistics are presented (Table 5) for Tax Years 1991 and 1992 on the income and tax generated at each marginal rate (as in Tables 2 and 4, columns 5 through 22) by filing status, instead of AGI-size, for returns with modified taxable income. For 1991, about 0.9 million of the

³ Form 8615 was filed for a child under age 14 to report the child's investment income in excess of \$1,100 for 1991 (\$1,200 for 1992). The tax rates varied according to the parent's tax rate.

Figure F Percentages of Returns with Modified Taxable Income: Income Tax Generated, by Marginal Rate Classification, Tax Years 1989-1992 Individual Tax Returns Percentage 71.5 72.2 80 70.3 70.6 60 40 25.1 24.5 23.9 20 3.5 3.3 0.8 1989 1990 1991 1992 (92.2 million returns) (93.1 million returns) (92.6 million returns) (90.6 million returns) **Modified Taxable Income** Percentage 80 60 41.9 40.0 40.3 40.1 31.7 40 25.2 13.4 15.5 12.7 15.1 20 1992 1989 1990 1991 (\$2.2 trillion) (\$2.3 trillion) (\$2.4 trillion) (\$2.3 trillion) **Income Tax Generated** Percentage 80 60 40.4 38.3 37.3 38.0 38.4 40 16.4 21.2 17.1 21.6 20 0 1990 1991 1992 1989 Tax Year (\$453.8 billion) (\$481.9 billion) (\$436.4 billion) (\$452.1 billion)

Includes 28 percent, with net long-term capital gains for 1991 and 1992, and 28 percent (below 33 percent rate) for 1989 and 1990.

NOTE: Returns in the "Form 8615" and "Form 8814" categories were included in the calculation of the percentages, but are not shown separately. These two categories for both 1991 and 1992 accounted for less than 0.35 percent of the returns, 0.06 percent of the "modified" taxable income, and 0.08 percent of the income tax generated. Therefore, detail may not add to totals.

2 31 percent

☐ 33 percent

■ 28 percent (above 33 percent rate)

■ 15 percent

28 percent¹

38.9 million returns filed by single persons had some income taxed at the 31 percent tax rate. For these returns, the total taxable income subject to this rate was \$46.0 billion and the tax generated at the 31 percent rate was \$14.3 billion. Similarly, 0.9 million of the nearly 37.6 million returns filed by single persons for 1992 had income taxed at the 31 percent rate. The total modified taxable income taxed at the 31 percent rate for these returns was over \$54.0 billion, while the tax generated by this rate was \$16.8 billion.

Components of Total Income Tax

Regular Tax

Tables 1 and 3 include two tax amounts: "tax generated" and "income tax after credits." Tables 6 through 9 and Figures B and C include an additional measure of tax, "total income tax" which is the sum of "income tax after credits" and the "alternative minimum tax." The derivation of aggregate total income tax for 1991 and 1992 for returns with modified taxable income is illustrated (Figure G).

As shown (Figure G, and column 5 of Tables 1 and 3), the tax generated by applying the tax rates to modified taxable income was approximately \$453.8 billion for 1991 and \$481.9 billion for 1992. For most taxpayers, tax generated was equal to income tax before credits. However, for others, income tax before credits included special taxes on accumulation distributions of trusts and lumpsum distributions from qualified retirement plans (when the special 5- or 10-year averaging method was used) [13]. The earned income credit is included in this computation to the extent that its application did not reduce income tax before credits below zero. Both the refundable part of the earned income credit and the portion of the credit used to reduce other taxes are excluded from the computation of income tax after credits [14]. Income taxafter credits, (Figure G and column 7 of Tables 1 and 3), totaled \$447.2 billion for 1991 and \$474.9 billion for 1992. Total income tax of \$448.4 billion for 1991 and \$476.2 billion for 1992, (Figure B and Tables 6 through 9), is thus the sum of income tax after credits and the alternative minimum tax [15].

Alternative Minimum Tax

The "alternative minimum tax," or AMT, was established by the Revenue Act of 1978, to ensure that a minimum amount of income tax was paid by taxpayers who might otherwise use certain provisions of the tax code meant to stimulate economic activity and generate "economic income" to reduce, or even eliminate, their regular tax

Figure G

Derivation of 1991 and 1992 Total Income Tax as Shown in Statistics of Income

[Money amounts are in billions of dollars]

Item	Tax	Year
1.6111	1991	1992
Tax generated from tax rate schedules or tax table	453.8	481.9
PLUS: Taxes from special computations, total	0.7	0.7
EQUALS:	. h. c	`l ,
Income tax before credits	454.5	482.6
LESS: Tax credits, total	7.3	7.7
Child-care credit	2.5	2.5
Foreign tax credit	1.8	2.0
General business credit	0.5	0.6
Elderly or disabled credit	0.1	0.1
Earned income credit (limited to the amount		
needed to reduce total income tax to zero)	2.1	2.1
Credit for prior-year minimum tax	0.2	0.3
Other credits	0.1	0.1
EQUALS:	•	1
Income tax after credits	447.2	474.9
PLUS: Alternative minimum tax	1.2	1.4
EQUALS:		
Total Income tax	448.4	476.2

¹ Includes tax on accumulation distributions of trusts and tax on lumpsum distributions from qualified retirement plans.

NOTE: Detail may not add to totals because of rounding.

liability. The AMT provisions may recapture some of these tax reductions by recomputing income to achieve "alternative minimum taxable income," or AMTI, the tax base for AMT. Form 6251, Alternative Minimum Tax for Individuals is used to calculate AMT.

AMTI was computed by adding to taxable income certain "tax preferences" (i.e., deduction or exclusion amounts identified as potential sources of tax savings disallowed for AMT purposes) and "adjustments" (i.e., amounts due to a change, for AMT purposes, in the computation method of a deduction for regular taxation) (Figure H). For 1991 and 1992, despite the fact that itemized deductions for some taxpayers were limited, the full amounts of certain itemized deductions were included as adjustments. However, the overall limitation on itemized deductions was subtracted from taxable income. The "net operating loss deduction" was recomputed to allow for the exclusion of the "tax preference items" and "adjustments" used to reduce regular tax liability. The recomputed net operating loss deduction, termed the "alternative net operating loss deduction," was limited to 90 percent of AMTI less the new energy preference adjustment (defined below).

AMTI was reduced by an exemption amount, subject to phase-out at higher income levels, dependent upon the filing status of the individual. For both 1991 and 1992, the AMTI exemption for single filers (and heads of house-

Figure H

Calculation of Alternative Minimum Taxable Income (AMTI), Tax Years 1991 and 1992

Taxable Income

PLUS: Net operating loss deduction

MINUS: Overall itemized deductions limitation

PLUS: Adjustments

Standard deduction

- The lesser of deductible medical and dental expenses or 2.5 percent of adjusted gross income
- Miscellaneous itemized deductions subject to the 2-percent-of-adjusted-gross-income limitation
- Refunds of State and local income, real estate, and foreign taxes previously deducted (negative)
- Deductions for certain home mortgage interest
- Deductions for State and local income, real estate, and foreign taxes
- Investment interest expense
- Excess of depreciation on property placed in service after 1986 over less liberal methods allowed for alternative minimum tax purposes (straight-line or 150-percent declining balance method, depending on the type of property)
- Excess of circulation and research and experimental expenditures paid or incurred after 1986 over allowable amortization had the expenditures been capitalized (the result could be negative)
- Excess of mining exploration and development costs paid or incurred after 1986 over allowable amortization had the costs been capitalized (the result could be negative)
- Deferred income from long-term contracts entered into after February 28, 1986, with certain exceptions and limitations (the result could be negative)
- Excess of rapid amortization of pollution control facilities placed in service after 1986 over otherwise allowable depreciation (the result could be negative)
- Adjustment from disallowing the installment sales method of accounting for sales of inventory and stock in trade after March 1, 1986, with certain exceptions (the result could be negative)
- Adjustment of gain or loss on property disposed of after 1987, the basis of which was affected by accelerated depreciation or rapid amortization and which was reduced for alternative minimum tax purposes; and on incentive stock options which were exercised after 1987 (the amount that the value of the option when exercised exceeded the price paid by the taxpayer; the result could be negative)
- Incentive stock options which were exercised after 1987 (the amount by which the value of the option when exercised exceeded the price paid by the taxpayer; the result could be negative)
- Adjustment for refigured loss from activities in which allowable losses from partnerships or S Corporations were limited by "at-risk" and other rules, taking into account alternative minimum tax adjustments and preference items (the result could be negative)
- Adjustment for refigured tax shelter farm losses, taking into account alternative minimum tax adjustments and preference items
- Passive activity loss allowed for regular tax purposes for activities acquired before October 23, 1986, taking into
 account alternative minimum tax adjustments and preference items
- Difference between income distributions to beneficiaries of estates and trusts for regular tax purposes and the amounts refigured for alternative minimum tax purposes

Figure H

Calculation of Alternative Minimum Taxable Income (AMTI), Tax Years 1991 and 1992--Continued

PLUS:

Tax Preference Items

- Excess of deduction for charitable contributions of appreciated property over the basis of the property
- Tax-exempt interest from private activity bonds issued after August 7, 1986
- Excess of percentage depletion deduction for mineral reserves over their adjusted basis
- Excess of accelerated depreciation on real property placed in service before 1987 over straight-line depreciation
 as refigured for alternative minimum tax purposes
- Excess of accelerated depreciation on leased property placed in service before 1987 over straight-line depreciation as refigured for alternative minimum tax purposes
- Excess of rapid amortization on pollution control facilities placed in service before 1987 over allowable depreciation?
- Amount by which the excess of intangible drilling costs deducted currently over allowable amortization (if these costs had been capitalized) was more than 65 percent of the taxpayer's "net income" from oil, mineral, and geothermal properties, but with exceptions

MINUS:

Energy preference adjustment

Alternative tax net operating loss deduction

EQUALS: Alternative minimum taxable income

¹ This tax preference item applied to non-tangible personal property for 1991. For 1992, the tax preference item was redefined to apply to contributions of tangible personal property made after July 1, 1992.

² This tax preference item is not included in the calculation of AMTI for 1992.

holds) was \$30,000; for joint filers and surviving spouses, \$40,000; and, for married persons filing separately, \$20,000. The exemption was reduced (but not below zero) by 25 percent of the amount by which AMTI exceeded threshold levels of \$112,500 for single filers (and heads of households), \$150,000 for joint filers, and \$75,000 for married persons filing separately. The exemption was phased out completely for individuals whose filing status was single (or head of household), married filing jointly, and married filing separately, at \$232,500, \$310,000, and \$155,000, of AMTI, respectively. After reduction by the exemption, the remaining AMTI was subject to tax at a 24 percent rate (up from 21 percent for 1990). The resulting tax was reduced by the "alternative minimum tax foreign tax credit," which produced a "tentative minimum tax". Tentative minimum tax was further reduced by the individual's regular tax before credits (including additional taxes from accumulation distributions of trusts or lump-sum distributions from qualified retirement plans) less the foreign tax credit (for regular tax purposes) to yield the alternative minimum tax. Dependents under the age of 14 with investment income over a certain amount, who filed their own return, were subject to special rules for AMT purposes. These rules

required that the dependents pay the same amount of AMT as their parents would have paid had the parents included the dependent's income on their own tax return [16].

There was little change in the AMTI calculation between 1991 and 1992. Beginning with Tax Year 1991, the adjustment for the personal exemption amount was disallowed for AMT purposes and an energy preference adjustment, based on oil and gas drilling and depletion costs, was created. The tax preference item for the deduction of the appreciated value of charitable contributions of property was redefined effective July 1992 to exclude tangible property [17]. For 1992, the "tax preference" for the deduction of rapid amortization (in excess of depreciation) of pollution control facilities was no longer included in the calculation of AMTI.

Statistics by size of AGI on the total adjustments, total tax preferences, and alternative minimum tax reported by taxpayers showing AMT on their returns are presented (Figure I). For 1991, an AMT liability of \$1.2 billion was reported, based on total "adjustments" of almost \$43.0 billion and "tax preferences" of \$3.2 billion. For 1992, total "adjustments" of \$51.9 billion and "tax preferences" of \$3.5 billion created an AMT of nearly \$1.4 billion.

Figure I

Returns with Alternative Minimum Tax: Selected Data from Alternative Minimum Tax Computation, by Size of Adjusted Gross Income, Tax Years 1991 and 1992

[Money amounts are in thousands of dollars]

Size of adjusted gross income	Total adju	ustments	Total tax pr	references	Alternative m	ninimum tax				
Cize of Edjactor groot moone	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount				
	(1)	(2)	(3)	(4)	(5)	(6)				
			199	91						
All returns	3,300,297	42,953,358	437,927	3,211,216	243,672	1,213,426				
lo adjusted gross income	87,410	714,212	7,201	74,853	4,261	53,720				
31 under \$10,000	132,893	355,694	15,499	7,497	22,595	8,442				
\$10,000 under \$20,000	124,206	572,339	20,252	31,944	1,781	6,446				
\$20,000 under \$30,000	148,894	694,082	34,162	84,323	4,328	6,433				
\$30,000 under \$40,000	212,588	1,143,195	33,036	38,035	7,004	25,280				
\$40,000 under \$50,000	317,193	1,860,207	40,851	52,675	8,826	6,694				
50,000 under \$75,000	808,041	5,494,666	71,888	155,679	39,955	84,250				
75,000 under \$100,000	457,697	4,079,617	38,843	94,868	35,783	87,982				
5100,000 under \$200,000	619,232	8,579,077	82,500	382,718	69,309	249,880				
200,000 or more	392,142	19,460,269	93,696	2,288,623	49,830	684,298				
	1992									
Ali returns	4,435,285	51,867,022	328,174	3,516,454	287,183	1,357,063				
lo adjusted gross income	103,687	676,131	7,524	93,392	4,808	62,427				
\$1 under \$10,000	394,425	1,220,362	11,051	13,115	23,401	5,940				
\$10,000 under \$20,000	305,608	1,281,007	14,115	6,061	3,149	5,440				
\$20,000 under \$30,000	323,365	1,553,416	21,904	70,298	3,702	7,832				
\$30,000 under \$40,000	379,450	1,637,066	18,817	31,370	4,266	3,085				
40,000 under \$50,000	452,270	2,300,766	19,484	66,045	14,157	19,701				
50,000 under \$75,000	866,524	5,672,864	49,427	163,117	43,337	84,245				
375,000 under \$100,000	488,398	4,481,440	31,692	139,300	49,208	89,798				
\$100,000 under \$200,000	667,020	9,199,724	64,027	380,115	82,583	308,748				
\$200,000 or more	454,537	23,844,249	90,135	2,553,645	58,573	769,848				

NOTE: Detail may not add to totals because of rounding.

income and Tax Shares

Historical statistics on income and tax by cumulative percentiles (based on numbers of returns) are presented (Tables 6 through 9). Distributions of AGI, as defined for each year, and tax, by descending and ascending cumulative percentiles of returns, are presented (Tables 6 and 7). These tables can be used to make comparisons across cumulative percentile classes within each year, among years within the ERTA'81 period (i.e., Tax Years 1982 through 1986), and among years within the post-TRA'86 period (i.e., Tax Years 1987 through 1992). Since AGI was redefined under TRA'86, Tables 6 and 7 are not as useful for comparisons between pre- and post-TRA'86 years. Tables 8 and 9, which are based on a consistent definition of income (i.e., using the 1979 Income Concept), are included to facilitate such comparisons.

Tables 6 and 8 are based on percentiles of returns cumulated downward from the highest income returns. The data are shown for the top 1, 5, 10, 25, and 50 percent of returns. In contrast, Tables 7 and 9 are based on returns cumulated upward for the lowest income returns. Data are shown for the bottom 50, 75, 90, 95, and 99 percent of all returns.

For example, consider the data in Table 6 for the top 10 percent of returns based on AGI-size (reported in column 4). For 1991, there were 11,380,410 returns classified in this category. The AGI and total income tax reported on these returns was approximately \$1,343.2 billion and \$250.3 billion, respectively. The amount of AGI needed for inclusion in this percentile group (i.e., the AGI floor) was \$61,944 (\$45,480 in constant dollars) and the average tax rate was 18.63 percent. Returns in this percentile group reported 38.20 percent of the total AGI and 55.82 percent of the total income tax. In this same percentile for 1992, there were 11,265,276 returns reporting \$1,443.8 billion in AGI and \$276.2 billion in total income tax. The amount of AGI needed for inclusion in this percentile group for 1992 was \$64,457 (\$45,942 in constant dollars) and the average tax rate was 19.13 percent. These returns reported 39.23 percent of the total AGI and 58.01 percent of the total income tax.

To improve comparability with Tables 6 and 7, Tables 8 and 9 have been revised (compared to the tables that appeared in the Summer 1994 issue of the *Bulletin*) to provide percentile distributions only for returns with positive amounts of AGI. By doing so, the anomalous

effect of AMT reported on returns with a negative adjusted gross income is removed from the income and tax distributions. As a result, the distributions shown in Tables 8 and 9 for tax years before 1991 differ slightly from those previously published.

The statistics by percentile in Tables 8 and 9 and Tables 6 and 7 (for years prior to 1991) were estimated, using a mathematical technique called "osculatory interpolation," applied to aggregated data tabulated by AGI size classes, in order to distribute the tax returns within each class [18]. For 1991 and 1992, the statistics by percentiles were estimated based on an actual ranking of the returns in the statistical sample that served as the basis for Statistics of Income. The differences under the two methods were judged to be minor enough so that the pre-1991 and post-1990 data are believed to be comparable.

Explanation of Selected Terms

Brief explanations of the major tax concepts discussed in this article are provided. For more extensive definitions, see *Statistics of Income—Individual Income Tax Returns* for 1991 and 1992.

Adjusted Gross Income--Adjusted gross income is "total income," as defined by the tax code, less "statutory adjustments" (primarily business, investment, or employee-related deductions, such as payments to a Keogh self-employed retirement plan and contributions to an Individual Retirement Arrangement or IRA, and self-employed health insurance deductions). Total income includes, for example, salaries and wages, taxable interest, dividends, alimony, and the net amounts from sources such as business income, rents and royalties, and sales of capital assets (Footnote 4).

Marginal Tax Rate--The marginal tax rate is defined as the tax rate that applied to the last dollar of taxable income. For purposes of this article, the marginal tax rate is defined as follows: (1) if a return showed taxable income below or equal to the maximum amount to which the 28 percent tax rate was applied, then the marginal tax rate of the return was the highest rate at which any amount of taxable income reported on the return was taxed; (2) if the return had taxable income in excess of the amount to which the 28 percent tax rate applied, then the return was defined as having a 31 percent marginal tax rate; or (3) if the return had taxable income (from other than net longterm capital gains) below or equal to the maximum amount to which the 28 percent tax rate applied, as well as net long-term capital gains to which the maximum 28 percent rate on the net gain applied, then the return was defined as having a "28 percent (capital gains)" marginal tax rate. However, if the return had taxable income (from other than net long-term capital gains) above the maximum amount to which the 28 percent rate applied, as well as net long-term capital gains to which the 28 percent rate on the net gain applied, then the return was classified as having a 31 percent marginal rate. Returns of dependents with a Form 8615 attached are shown separately when the use of this form resulted in the taxation of the dependent's. income as if it were that of the parents. The returns in the Form 8615 classification are not distributed by tax rate. Returns of parents choosing to report interest and dividend income of their dependents under age 14 on their own (i.e., the parent's) return using Form 8814 are shown separately when the dependent's income generated the only tax liability on the parent's return. For purposes of this article, the alternative minimum tax and income tax credits, such as the earned income credit, are excluded in determining the marginal tax rates.

Modified Taxable Income--This is the term used for the statistics to describe the tax base, i.e., the amount on which the regular income tax was computed. Each year, a small number of returns for prior tax years are filed during the same calendar year in which the tax returns for the current tax year are being selected for the Statistics of Income sample. Some of these returns are selected for the sample and act as proxies for returns for the current tax year that will be filed during a later calendar year. The taxon these returns is based on a previous year's tax law (which may reflect different tax rates and income concepts). For the statistics in this article, "taxable income" (defined below) is modified to equal an amount necessary to generate the tax actually shown on these returns using current-year rates ("modified taxable income" in the statistics).

Taxable Income--Taxable income is AGI less the sum of personal exemption amounts and either the standard deductions for non-itemizers or total itemized deductions.

Taxable Returns--A return is classified as "taxable" based on the presence of "total income tax" (the sum of income tax after credits and the alternative minimum tax). The following additional taxes were not taken into account for this purpose: self-employment, social security, or Railroad Retirement Tax Act (RRTA) taxes, tax from recomputing prior-year investment or low-income housing credits, penalty taxes on Individual Retirement Arrangements, section 72 penalty taxes, advance earned income credit payments, or "golden parachute" payments (made to key employees as compensation under certain circumstances).

Tax Generated--This is the amount of tax computed on modified taxable income either from the tax return tax rate schedules or the tax table. Tax generated does not take into account the alternative minimum tax or the effect of tax credits. For most returns (those without the special

taxes on lump-sum distributions from qualified retirement plans or on accumulation distributions of trusts), tax generated equals "income tax before credits."

Total Income Tax--Total income tax is the sum of income tax after credits and the alternative minimum tax.

Data Sources and Limitations

The statistics for Tax Years 1991 and 1992 are based on stratified probability samples of unaudited individual income tax returns (Forms 1040, 1040A, and 1040EZ) filed with the Internal Revenue Service in 1992 (for Tax Year 1991) and in 1993 (for Tax Year 1992). Returns in the sample were stratified based on the larger of "total income" or "total loss" (adjusted gross income before subtraction of statutory adjustments), the size of business plus farm receipts, and the presence or absence of the following tax forms: Form 2555, Foreign Earned Income; Form 1116, Computation of Foreign Tax Credit Individual, Fiduciary, or Nonresident Alien Individual; Schedule C, Profit (or Loss) from Business or Profession; and Schedule F, Farm Income and Expenses. Returns were selected at rates ranging from 0.02 percent (for the

more numerous, smaller-sized, homogeneous returns) to 100 percent (for the relatively few returns with large income amounts or unusual characteristics). The sampling resulted in 125,926 returns selected to represent the 115,438,445 returns filed for Tax Year 1991, and 103,516 returns selected to represent the 115,068,332 returns filed for Tax Year 1992.

Since the data are based on a sample of the returns filed, they are subject to sampling error. To properly use the statistical data provided, the magnitude of the potential sampling error must be known; coefficients of variation (CV's) are used to measure that magnitude. (For information about the samples used for the other tax years referred to in the statistics, for example, in Tables 6 through 9, see the Statistics of Income reports for these years.) Approximate CV's for the money amounts for selected income items are presented (Figure J). These approximate CV's shown are intended only as a general indication of the reliability of the data. The reliability of estimates based on samples, and the use of coefficients of variation for evaluating the precision of estimates based on samples, are discussed in the appendix to this issue of the Bulletin.

Figure J

Size of	Taxable	income	Incom	e tax		native um tax		otal Iments	Total tax preferences	
adjusted gross income					(Perce	ntages)				
	1991	1992	1991	1992	1991	1992	1991	1992	1991	1992
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Total	0.22	0.23	0.24	0.26	3.24	3.73	1.30	1.26	2.84	3.22
Under \$2,000	6.55	6.23	10.39	10.14	10.32	11.11	11.64	13.48	22.10	37.41
\$2,000 under \$4,000	6.79	7.00	7.23	7.39	53.96	34.08	24.28	19.25	70.28	77.50
\$4,000 under \$6,000	5.46	5.68	5.73	5.85	50.53	43.95	32.36	22.49	99.31	68.61
\$6,000 under \$8,000	3.85	4.25	3.90	4.27	65.77	90.22	100.43	21.29	77.39	73.20
\$8,000 under \$10,000	3.48	3.54	3.69	3.58	57.69	72.50	28.84	18.80	50.14	(1)
\$10,000 under \$12,000	3.44	3.55	3.64	3.77	69.34	70.01	24.72	19.83	48.68	88.86
\$12,000 under \$14,000	3.24	3.29	3.57	3.58	64.97	82.77	34.35	21.19	85.17	91.44
\$14,000 under \$16,000	3.09	3.22	3.44	3.57	54.43	78.84	21.97	21.32	46.60	61.10
\$16,000 under \$18,000	3.16	3.11	3.48	3.47	64.70	53.56	23.23	19.62	76.66	38.91
\$18,000 under \$20,000	3.18	3.17	3.33	3.40	48.92	99.85	25.20	18.61	49.16	98.22
\$20,000 under \$25,000	2.01	1.98	2.04	2.02	42.56	70.35	30.75	12.15	47.56	58.50
\$25,000 under \$30,000	2.15	2.14	2.19	2.17	35.47	51.43	14.72	13.26	64.21	58.03
\$30,000 under \$40,000	1.21	1.22	1.26	1.27	37.97	33.08	10.98	8.53	35.98	46.69
\$40,000 under \$50,000	1.53	1.51	1.59	1.58	25.96	30.19	9.05	7.48	33.33	48.16
\$50,000 under \$75,000	1.08	1.14	1.09	1.17	14.79	18.03	4.82	5.02	24.12	26.90
\$75,000 under \$100,000	1.69	1.93	1.72	1.97	16.46	16.71	5.80	6.48	21.34	21.33
\$100,000 under \$200,000	1.23	1.41	1.21	1.38	9.30	11.43	3.19	3.50	10.41	13.78
\$200,000 under \$500,000	1.10	1.38	1.10	1.39	5.57	6.56	2.30	2.58	6.99	8.06
\$500,000 under \$1,000,000	0.97	1.11	0.97	1.12	8.84	8.33	2.36	2.69	5.78	8.29
\$1,000,000 or more	0.35	0.33	0.35	0.33	2.62	3.49	0.99	0.78	1.44	1.67

1Not shown because there were too few sample returns to produce a reliable estimate.

Notes and References

- [1] For this article, income tax liability is the amount of total income tax. Total income tax is equal to tax generated from the tax rate schedules or tax table *plus* taxes from special computations *less* total tax credits *plus* the alternative minimum tax.
- [2] For further information on the Tax Reform Act of 1986, see U.S. Congress, Joint Committee on Taxation, General Explanation of the Tax Reform Act of 1986 (H.R. 3838, 99th Congress, Public Law 99-514), May 4, 1987.
- [3] Taxpayers fall into one of five filing statuses: single, married filing jointly, married filing separately, head of household, and surviving spouse. Being age 65 or older or being legally blind affects both the filing requirements and the amount of the standard deduction. Those taxpayers who are (or could be) dependents of other taxpayers have different filing requirements. For more information on the general filing requirements for 1991 or 1992, see Statistics of Income—Individual Income Tax Returns for these years or U.S. Department of the Treasury, Internal Revenue Service, Your Federal Income Tax, for 1991 and 1992.
- [4] As defined under section 61 of the Internal Revenue Code, gross income includes amounts from wages and salaries, interest and dividends, alimony, bartering income, canceled debt income, gambling winnings, rents and royalties, and gains from property sales or exchanges, as well as gross profits from sole proprietorships and farming, income from partnerships and S Corporations, and distributions from estates and trusts. This definition of gross income is slightly different from the Form 1040, U.S. Individual Income Tax Return, concept of "total income," which is a component of the adjusted gross income (AGI) calculation on the Form 1040. Total income includes net amounts rather than gross amounts (income prior to deductions) from items such as business income and rent and royalties.
- [5] As defined under Code section 62, deductible expenses are those incurred in the course of a trade or business or in connection with rents and royalties; losses from property sales or exchanges; and certain statutory adjustments, such as for contributions to an IRA or for the self-employed health insurance deduction.

- [6] For example, assume a taxpayer filing as "married filing separately" reported taxable income of \$49,250. Using the 1991 tax table, the tax would be \$10,593, but using the 1991 tax rate schedules, the tax would be \$10,585.25, a difference of \$7.75. Using the 1992 tax table (assuming the same filing status and taxable income amount), the tax would be \$11,651, but using the 1992 tax rate schedules, the tax would be \$11,643, a difference of \$8.00.
- [7] For 1990, the tax rate schedule provided only 2 basic rates: 15 percent and 28 percent. However, taxable income between certain amounts was subject to an additional 5 percent tax, creating an "effective" 33 percent marginal tax rate, to phase out benefits of the lower 15 percent tax rate and the deduction for personal exemptions. At the point where these benefits were completely phased out, the marginal tax rate returned to 28 percent, and the average tax rate on taxable income plus the phased-out personal—exemptions was equal to 28-percent.
- [8] Passive losses are the excess of total deductions from passive activities over total income from such activities. The two kinds of passive activities are trade or business activities in which the taxpayer did not materially participate and rental activities, regardless of participation.
- [9] For 1991, the basic earned income credit could be as much as \$1,192 for one qualifying child, and as much as \$1,235 for two or more qualifying children for individuals whose earned income and AGI were less than \$21,250. The maximum amount of the health insurance credit and the extra credit for a child born in 1991 were \$428 and \$357, respectively. For 1992, the basic credit could have been as much as \$1,324 for one qualifying child and as much as \$1,384 for two or more qualifying children for individuals with a combined earned income and AGI of less than \$22,370. The maximum amount of the health insurance credit and the extra credit for a child born in 1992 were \$451 and \$376, respectively. The individual personal exemption amount increased from \$2,050 for 1990 to \$2,150 for 1991 to \$2,300 for 1992. The standard deduction increased from \$3,250 for 1990 to \$3,400 for 1991 to \$3,600 for 1992 for single filers; from \$5,450 for 1990 to \$5,700 for 1991 to \$6,000 for 1992 for joint filers and surviving spouses; from \$2,725 for 1990 to \$2,850 for 1991 to \$3,000 for 1992 for married persons filing separately; and from \$4,750 for 1990 to \$5,000 for 1991 to \$5,250 for 1992 for heads of households.

- [10] For more details on the income computation under the 1979 Income Concept for 1991 or 1992, see *Statistics of Income—Individual Income Tax Returns* for these years.
- [11] The "28 percent (capital gains)" marginal tax rate category is comprised of returns which have a top tax rate of 28 percent, but have net long-term capital gains (in excess of short-term capital losses) which would have been taxed at 31 percent if it had been some other form of income.
- [12] For some taxpayers, the statutory marginal tax rate may differ from the actual marginal tax rate. For example, extra income received by certain taxpayers may result in the phaseout of their personal exemptions as well as some of their itemized deductions. Therefore, an extra dollar of income could add more than \$1 of taxable income. While this taxpayer could face a statutory marginal tax rate of 28 percent, the actual rate faced by the taxpayer would be somewhat higher.
- [13] The income amounts on which these special computations were based were not reflected in current-year AGI or current-year taxable income.
- [14] The total earned income credit was \$11.1 billion for 1991 and \$13.0 billion for 1992. These amounts include the amounts used to reduce the regular income tax (\$2.1 billion for 1991 and for 1992), the amount used to reduce other taxes reported on individual income tax returns (\$0.8 billion for 1991; \$1.0 billion for 1992), and any excess which was refundable (\$8.2 billion for 1991; \$10.0 billion for 1992).
- [15] Total income tax does not include certain other taxes

- reported on the individual income tax return, such as self-employment tax (the social security tax on income from self-employment), the social security tax on certain tip income, tax from recapture of prior-year investment or low-income housing credits, and tax applicable to early withdrawals from an Individual Retirement Arrangement (IRA) or other qualified retirement plans. These taxes are included in the statistics for "total tax liability," which is shown in Statistics of Income—Individual Tax Returns, for 1991 and 1992. For Tax Year 1991, total tax liability reported on 90,825,133 returns was \$471.1 billion. For Tax Year 1992, total tax liability reported on 89,030,064 returns was \$500.0 billion.
- [16] Dependents filing their own returns were limited to an AMT exemption of \$1,000 for both 1991 and 1992 plus their "earned income." The dependent's AMT could be reduced if the parent had regular tax greater than the child's own tentative minimum tax, or if any other dependent under age 14 of the same parents had regular tax greater than this dependent's own tentative minimum tax.
- [17] The deduction for the appreciated value of a capital gains property for which a charitable deduction was claimed was suspended for tangible personal property contributed during the 1991 tax year. This suspension was extended to eliminate the tax preference generated by tangible personal property contributions made before July 1, 1992.
- [18] For an explanation of the osculatory interpolation technique, see Oh, H. Lock, "Osculatory Interpolation with a Monotonicity Constraint," 1977 Proceedings of the American Statistical Association, Section on Statistical Computing, 1978.

Table 1.-- Returns With Modified Taxable Income: Tax Classified by Both the Marginal Rate and Each Rate at Which Tax Was Computed, Tax Year 1991

[All figures are estimates based on samples-money amounts are in thousands of dollars]

			Modified tax	able income	Tax ger	nerated	Income	tax after cre	dits
Highest marginal	Number	Adjusted	Taxed	Taxed at	At	At		As a perc	entage of-
rate at which tax	of	gross	atall	marginal	all	marginal	Total	Adjusted	Modified
was computed	returns	income	rates	rate	rates	rate		gross	taxable
was companie								income	income
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
All returns				3.7		<u> </u>			٠,
****	00 000 500	0.000.050.087	2,284,443,795	1,354,761,258	453,801,894	290,813,127	447,153,512	13.2	19.6
Total	92,622,506	3,393,259,267				1,396	770	(²)	8.3
15 percent (Form 8814) 1	14,539	-155,335	9,290	9,290.	1,396	112,550,873	108,629,466	7.7	14.5
15 percent	66,262,407	1,411,989,736	750,360,144	750,339,151	112,522,686 174,593,915	78,450,716	173,628,494	13.9	18.8
28 percent	22,421,332	1,250,965,205	921,181,089	280,181,127				20.4	25.0
28 percent (capital gains) 3	263,781	43,529,852	35,594,604	22,501,957	8,962,543	6,300,548	8,882,374 155,722,908	22.7	27.0
31 percent	3,372,671	685,645,425	576,163,142	300,784,659	157,425,551	93,243,244	289.501	22.7	25.5
Form 8615	287,777	1,284,384	1,135,527	945,073	295,802	266,350	209,301	22.5	23.3
Joint returns and returns								• '.	
of surviving spouses						,	•	i i	
Total	42,552,750	2,311,497,405	1,569,608,554	900,604,556	319,684,890	201,208,332	315,820,106	13.7	20.1
15 percent (Form 8814) 1	13,195	-149,325	7,991	7,991	1,202	1,202	576	(2)	7.2
15 percent	26,970,446	846,979,597	447,270,517	447,252,054	67,077,833	67,087,808	65,499,913	7.7	14.6
28 percent	13,150,660	894,579,111	644,824,747	197,671,075	122,414,723	55,347,901	121,533,046	13.6	18.8
28 percent (capital gains) 3	171,061	32,339,115	26,306,505	16,244,809	6,609,872	4,548,547	6,550,023	20.3	24.9
	2,247,389	537,748,907	451,198,793	239,428,627	123,581,261	74,222,874	122,236,548	22.7	27.1
31 percent	2,247,305	337,740,907	431,180,783	200,420,027					
								_ :	:-;
Separate returns of		· ·							
married persons			:				0.4.4.4.000	455	21.5
Total	1,976,965	59,045,137	42,501,653	25,326,582	9,237,630	6,083,443	9,144,082	15.5	
15 percent (Form 8814) 1	*49	*-7,048	*25	*25	*4	*4	*4 .	(²)	16.0
15 percent	1,228,557	18,307,393	9,980,599	9,980,575	1,496,497	1,497,086	1,487,258 2,976,185	8.1 14.5	14.9 19.3
28 percent	607,424	20,474,957	15,443,322	5,117,111	2,981,429	1,432,791	182,980	20.9	26.0
28 percent (capital gains) 3	4,898	875,881	704,219	579,609	186,379 4,573,322	162,291 2,991,271	4;497,656	20.9	27.5 -
31 percent	136,037	19,393,953	16,373,488	9,649,261	4,573,322	2,991,2/1	4,457,050	23.2	27.5
Form 8615	-							·	
Returns of heads				j				ł	
of households									1
Total	9,219,293	231,263,184	127,122,233	92,455,839	21,889,433	16,164,171	19,586,461	8.5	. 15.4
15 percent (Form 8814) 1	*1,292	*3,041	*1,273	*1,273	*191	191	*191	6.3	15.0
15 percent	8,097,590	164,052,530	76,113,321	76,111,322	11,413,124	11,416,698	9,192,792	5.6	12.1
28 percent	1,038,903	52,123,866	38,360,254	9,995,598	7,052,978	2,798,767	7,009,389	13.4	18.3
28 percent (capital gains) 3	5,612	1,062,987	905,117	641,845	233,530	179,717	231,942	21.8	25.6
31 percent	75,896	14,020,760	11,742,268	5,705,801	3,189,610	1,768,798	3,152,147	22.5	26.8
Form 8615 .4	-	-	_	-	-		· · · -	-	i -
Returns of single	1	1			1				🔻 .
persons			1					ļ	
Total	38,873,498	791,453,542	545,211,356	336,374,281	102,989,941	67,357,181	102,602,864	13.0	18.8.
15 percent (Form 8814) 1	*3	-2,003	*1	*1	_	_		(²)	(2)
15 percent	29,965,814	382,650,217	216,995,706	216,995,199	32,535,232	32,549,280	32,449,502	8.5	15.0
28 percent	7,624,345	283,787,271	222,552,765	67,397,343	42,144,786	18,871,256	42,109,875	14.8	18.9
28 percent (capital gains) 3	82,210	9,251,869	7,678,763	5,035,694	1,932,762	1,409,994	1,917,429	20.7	25.0
31 percent	913,349	114,481,805	96,848,594	46,000,970	26,081,359	14,260,301	25,836,557	22.6	26.7
Form 8615 .4	287,777	1,284,384	1,135,527	945,073	295,802	266,350	289,501	22.5	_25.5

^{*}Estimate should be used with caution because of the small number of sample returns on which it is based.

¹ Form 8814 was filed for a dependent child under age 14 for whom the parents made an election to report the child's investment income (if it was from interest or dividends totaling between \$500 and \$5,000) on the parent's income tax return. This rate classification is comprised of those returns with a tax liability only from the dependents' income and thus the overall total adjusted gross income for these returns may be negative.

²Percentage not computed.

^{*}Returns with net long-term capital gains taxed at the 28 percent rate.

⁴Form 8615 was filed for a child under age 14 to report the child's investment income in excess of \$1,100. The tax rates varied according to the parent's tax rate. NOTE: Detail may not add to totals because of rounding.

118,138

51,871

69,658,824

112,069,567

Table 2.-- Returns With Modified Taxable Income: Tax Generated by Rate and by Size of Adjusted Gross Income, Tax Year 1991

	Numberet			I	Tax gen	erated at specific	ed rate	
Size of	Number of returns with	Taxable	Modified	Tax	15 percent (from Form 8814) 1			
adjusted gross income	modified taxable income	income	taxable income	generated at all rates	Number of returns	Income taxed at rate	Tax generated at rate	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	
Total	92,622,506	2,284,087,640	2,284,443,795	453,801,894	153,428	85,640	12,898	
Inder \$2,000	1,629,847	578,072	587,081	93,199	3,599	2,475	373	
2,000 under \$4,000	1,828,521	1,142,141	1,142,214	188,507	*48	*70	*10	
4,000 under \$6,000	2,097,965	2,591,010	2,592,321	397,276	**1,270	**1,267	**190	
6,000 under \$8,000	3,829,858	6,696,075	6,696,114	1,009,151	**	**	**	
8,000 under \$10,000	3,928,608	12,430,660	12,430,797	1,876,627	*118	*60	•9	
10,000 under \$12,000	4,251,441	17,481,864	17,483,133	2,621,737	*2,487	*1,159	*174	
12,000 under \$14,000	4,683,014	24,579,893	24,580,375	3,699,152	*1,022	*487	*74	
14,000 under \$16,000		32,799,254	32,829,318	4,927,427	*1,538	*638	*95	
16,000 under \$18,000	4,515,702	37,168,745	37,169,489	5,578,212	*1,045	*1,041	*156	
18,000 under \$20,000		41,669,661	41,672,883	6,248,909	*5,980	*3,209	*481	
20,000 under \$25,000	9,507,376	121,286,673	121,297,279	18,210,032	*1,075	*560	*84	
25,000 under \$30,000	7,792,283	131,461,524	131,499,871	20,221,391	*6,186	*5,156	*773	
30,000 under \$40,000	12,269,944	279,498,352	279,558,951	45,487,473	10,905	4,983	747	
40,000 under \$50,000	8,796,438	266,283,650	266,354,999	43,787,074	11,872	6,630	997	
50,000 under \$75,000	11,360,139	481,213,204	481,344,945	88,456,570	35,503	19,538	2,934	
75,000 under \$100,000	3,569,077	221,951,125	222,008,765	47,225,705	21,370	11,032	1,655	
100,000 under \$200,000	2,592,643	258,310,875	258,468,094	63,075,614	33,738	18,320	2,779	
200,000 under \$500,000	674,808	165,216,471	165,251,379	46,470,041	12,580	7,017	1,060	
500 000 under \$1 000 000	1 440 400 1	00.050.004	00 000 050	00 ==0 044 1	0.400		·	

69,600,656

111,875,133

20,578,241

33,649,556

2,102

990

1,326

670

202

103

		Tax	generated at spe	cified rateContir	nued	
		15 percent			28 percent	
Size of adjusted gross income	Number	Income	Tax	Number	Income	Tax
	of	taxed	generated	of	taxed	generated
	returns	at rate	at rate	returns	at rate	at rate
	(8)	(9)	(10)	(11)	(12)	(13)
Total	92,602,781	1,498,599,783	224,789,967	25,986,853	426,754,764	119,491,334
Under \$2,000	1,624,991	534,445	80,167			
\$2,000 under \$4,000	1,828,473	979,731	146,960			
\$4,000 under \$6,000	2,096,696	2,515,827	377,374			
\$6,000 under \$8,000	3,829,856	6,643,928	996,589			
\$8,000 under \$10,000	3,928,491	12,345,627	1,851,844			••
\$10,000 under \$12,000	4,250,221	17,460,957	2,619,144			
\$12,000 under \$14,000	4,679,460	24,474,615	3,671,192			
\$14,000 under \$16,000	4,915,674	32,791,738	4,918,761	*1,266	*3,845	*1,077
\$16,000 under \$18,000	4,514,680	37,131,681	5,569,752			••
\$18,000 under \$20,000	4,201,912	41,669,674	6,250,451		\	
\$20,000 under \$25,000	9,507,351	121,144,177	18,171,627	107,265	131,912	36,935
\$25,000 under \$30,000	7,792,283	127,660,833	19,149,125	1,973,886	3,765,723	1,054,402
\$30,000 under \$40,000	12,269,918	252,170,817	37,825,623	3,912,304	27,345,407	7,656,714
\$40,000 under \$50,000	8,796,438	236,831,599	35,524,740	3,351,254	29,516,157	8,264,524
\$50,000 under \$75,000	11,360,001	356,911,446	53,536,717	9,752,375	120,758,196	33,812,295
\$75,000 under \$100,000	3,569,027	116,121,555	17,418,233	3,517,649	98,888,976	27,688,913
\$100,000 under \$200,000	2,592,520	84,056,864	12,608,530	2,543,961	108,989,029	30,516,928
\$200,000 under \$500,000	674,805	21,716,665	3,257,500	661,950	29,894,357	8,370,420
\$500,000 under \$1,000,000	118,137	3,795,376	569,306	115,104	5,227,672	1,463,748
\$1,000,000 or more	51,848	1,642,229	246,334	49,839	2,233,490	625,377

Footnotes at end of table.

\$500,000 under \$1,000,000.....

\$1,000,000 or more.....

Table 2.-- Returns With Modified Taxable Income: Tax Generated by Rate and by Size of Adjusted Gross Income, Tax Year 1991-Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars]

	Tax generated at specified rateContinued											
Size of	28 per	rcent (capital g	ains) ²	•	31 percent			Form 8615 ³				
adjusted gross income	Number of	Income taxed	Tax generated	Number	Income taxed	Tax generated	Number of	Income taxed	Tax generated			
· · · · · · · · · · · · · · · · · · ·	returns	at rate	at rate	returns	at rate	at rate	returns	at all rates	at all rates			
	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)			
Total	1,264,046	57,273,877	16,036,678	3,372,671	300,784,659	93,243,244	287,777	945,073	266,35			
nder \$2,000							131,364	50,162	13,16			
2,000 under \$4,000							94,044	162,413	42,24			
4,000 under \$6,000				·			. 19,423	75,227	20,67			
6.000 under \$8.000	^_			·			*9,078	*52,186	*14,34			
8.000 under \$10.000	·		1		l'		*11,825	*85,111	*26,62			
10,000 under \$12,000	· !				· i		*2,533	*21,017	4,40			
12,000 under \$14,000	·						*9,078	*105,272	*30,08			
14,000 under \$16,000			·				*2,533	*33,098	*9,78			
16.000 under \$18.000							*2,533	*36,766	*10,47			
18,000 under \$20,000					'	·						
20,000 under \$25,000			 .	••			*1,014	*20,631	*5,88			
25,000 under \$30,000				•			*2,470	*68,158	*19,89			
30,000 under \$40,000			,				*1,014	*37,743	*8,45			
40,000 under \$50,000			· - '	*4,500	*612	*190						
50,000 under \$75,000	101,501	797,141	223,207	458,674	2,858,624	886,173						
75,000 under \$100,000	116,384	1,590,436	445,320	335,372	5,346,870	1,657,530	*648	*49,895	*15,5			
100,000 under \$200,000	659,322	10,880,275	3,046,466	1,765,844	54,505,534	16,896,716	*98	*18,072	*5,07			
200,000 under \$500,000	292,272	12,835,504	3,593,940	645,069	100,797,836	31,247,329						
500.000 under \$1,000.000	63,536	7,788,662	2,180,825	113,786	52,714,291	16,341,430	*86	*73,329	*22,7			
1,000,000 or more	31,031	23,381,859	6,546,921	49,426	84,560,892	26,213,877	37	55,993	16,9			

^{*} Estimate should be used with caution because of the small number of sample returns on which it is based.

^{**}Data are combined with data in an adjacent adjusted gross income size class to avoid disclosure of information for specific taxpayers.

Form 8814 was filed for a dependent child under age 14 for whom the parents made an election to report the child's investment income (if it was from interest or dividends totaling between \$500 and \$5,000) on the parent's income tax return.

² Returns with net long-term capital gains taxed at the 28 percent rate.
³ Form 8615 was filed for a child under age 14 to report the child's investment income in excess of \$1,100. The tax rates varied according to the parent's tax rates. NOTE: Detail may not add to totals because of rounding.

Table 4.-- Returns With Modified Taxable Income: Tax Generated by Rate and by Size of Adjusted Gross Income, Tax Year 1992

	Number of				Tax ge	enerated at specifi	ed rate
Size of	returns with	Taxable	Modified	Tax	15 per	rcent (from Form 8	3814) 1
adjusted gross income	modified	income	taxable	generated	Number	Income	Tax
	taxable income		income	at all rates	of	taxed	generated
			·		returns	at rate	at rate
_	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Total	90,623,988	2,395,695,661	2,396,178,563	481,858,592	141,678	79,945	11,988
Under \$2,000	1,468,310	484,394	486,597	74,660	3,390	2,035	305
\$2,000 under \$4,000		904,491	906,719	147,657	*2,483	*2,275	*340
\$4,000 under \$6,000	1,716,164	2,252,945	2,266,835	350,738	*402	*108	*16
\$6,000 under \$8,000	3,489,970	5,424,963	5,440,997	819,164	*3,603	*3,277	*492
\$8,000 under \$10,000	3,634,780	10,942,753	10,943,445	1,642,539	*1,242	*621	*93
\$10,000 under \$12,000		15,504,998	15,506,307	2,325,658	*1,056	*986	*147
\$12,000 under \$14,000	4,463,691	21,907,067	21,908,514	3,287,149	**3,789	**719	**108
\$14.000 under \$16.000	4.411.116	28.284.994	28,284,877	4.250.237			
\$16,000 under \$18,000		35,260,324	35,260,928	5,293,076	**	**	**
\$18,000 under \$20,000	4,090,421	38,317,032	38,318,713	5,745,881	*1,394	*697	*105
\$20,000 under \$25,000	9,355,123	115,513,816	115,516,154	17,333,884	*3,335	*390	*60
\$25,000 under \$30,000	7,484,937	123,555,002	123,586,489	18,735,549	*6,664	*3,382	*507
\$30,000 under \$40,000	12,263,971	274,011,009	274,068,437	44,127,018	8,004	3,087	463
\$40,000 under \$50,000	8,988,898	269,211,742	269,278,289	44,065,350	16,533	10,667	1,599
\$50,000 under \$75,000	11,773,136	495,922,686	496,050,755	88,959,098	17,235	10,034	1,507
\$75,000 under \$100,000	3,984,735	247,431,448	247,496,923	51,820,774	32,749	18.039	2,701
\$100,000 under \$200,000	2,807,774	280,674,802	280,756,422	67,707,118	20,760	12,606	1,891
\$200,000 under \$500,000	745,385	186,065,353	186,094,268	52,180,527	14,713	8,308	1,246
\$500,000 under \$1,000,000	140,985	84,322,055	84,315,715	24,902,913	3,039	1,786	268
\$1,000,000 or more	67,168	159,703,788	159,691,179	48,089,598	1,286	929	139

	Tax generated at specified rateContinued							
		15 percent		28 percent				
Size of adjusted gross income	Number	Income	Tax	Number	Income	Tax		
	of	taxed	generated	of	taxed	generated		
	returns	at rate	at rate	returns	at rate	at rate		
	(8)	(9)	(10)	(11)	(12)	(13)		
Total	90,604,369	1,536,560,958	230,484,144	24,904,092	431,486,266	120,816,154		
Under \$2,000	1,465,239	462,631	69,395	-		-		
\$2,000 under \$4,000	1,450,091	781,390	117,208		-			
\$4,000 under \$6,000	1,715,761	2,154,640	323,196					
\$6,000 under \$8,000	3,486,367	5,396,742	809,511		-	-		
\$8,000 under \$10,000	3,633,538	10,925,129	1,638,769	-		_		
\$10,000 under \$12,000	3,783,681	15,482,750	2,322,412	-		-		
\$12,000 under \$14,000	4,463,691	21,882,391	3,282,359	-	}			
\$14,000 under \$16,000	4,409,875	28,217,432	4,232,615	_	- 1			
\$16,000 under \$18,000	4,498,870	35,223,407	5,283,511	-	-			
\$18,000 under \$20,000	4,090,421	38,318,016	5,747,702	-				
\$20,000 under \$25,000	9,355,123	115,438,245	17,315,737	66,264	52,766	14,774		
\$25,000 under \$30,000	7,484,044	122,040,311	18,306,047	1,194,805	1,542,796	431,983		
\$30,000 under \$40,000	12,262,863	250,860,804	37,629,121	3,836,268	23,054,895	6,455,371		
\$40,000 under \$50,000	8,988,898	240,984,856	36,147,728	2,840,018	28,282,748	7,919,169		
\$50,000 under \$75,000	11,772,771	384,567,657	57,685,149	9,382,119	108,478,306	30,373,926		
\$75,000 under \$100,000	3,982,189	135,709,060	20,356,359	3,904,555	104,531,859	29,268,921		
\$100,000 under \$200,000	2,807,446	95,850,518	14,377,578	2,749,063	121,246,608	33,949,050		
\$200,000 under \$500,000	745,385	25,255,291	3,788,294	728,774	34,674,189	9,708,773		
\$500,000 under \$1,000,000	140,978	4,766,896	715,034	137,710	6,569,264	1,839,394		
\$1,000,000 or more	67,139	2,242,793	336,419	64,518	3,052,837	854,794		

Footnotes at end of table.

Table 3.- Returns With Modified Taxable Income: Tax Classified by Both the Marginal Rate and Each Rate at Which Tax Was Computed, Tax Year 1992

[All figures are estimates based on samples-money amounts are in thousands of dollars]

		T	Modified tax	able income	Tax get	nerated	Income	tax after cre	dits
Highest marginal	Number	Adjusted	Taxed	Taxed at	At	At		As a perc	entage of-
rate at which tax	. of	gross	at all	marginal	all	marginal	Total	Adjusted	Modified
was computed	returns	income	rates	rate	rates	rate		gross	taxable
		<u> </u>						income	income
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
All returns									
Total	90,623,988	3,544,883,925	2,396,178,563	1,445,658,164	481,858,592	313,815,727	474,851,568	13.4	19.8
15 percent (Form 8814) 1	15,343	21,339	13,605	13,605	2,040	2,040	1,177	5.5	8.7
15 percent	65,415,652	1,478,943,926	782,295,947	782,275,416	117,313,349	117,341,312	113,348,678	7.7	14.5
28 percent	21,338,580	1,248,012,000	918,527,517	277,415,519	173,837,152	77,676,345	172,929,376	13.9	18.8
28 percent (capital gains) 3	278,650	50,616,758	41,626,611	27,511,243	10,550,448	7,703,148	10,464,223	20.7	25.1
31 percent	3,368,224	766,113,478	652,659,361	357,536,216	179,876,205	110,836,227	177,833,654	23.2	27.2
Form 8615	207,539	1,176,423	1,055,522	906,164	279,399	256,655	274,460	23.3	26.0
Joint returns and returns of surviving spouses									
Total	41,577,964	2,416,498,664	1,653,210,099	969,565,904	341,427,393	219,177,657	337,451,064	14.0	20.4
15 percent (Form 8814) 1	10.553	-53	9.719	9,719	1,459	1,459	897	(²)	9.2
15 percent	26,710,641	888,424,248	468,305,556	468,287,262	70,233,106	70,243,089	68,650,739	7.7	14.7
28 percent	12,435,469	888,144,633	641.020.748	195,806,211	121,601,963	54,825,739	120,810,179	13.6	18.8
28 percent (capital gains) 3	174,227	36,741,827	30,115,452	19,535,695	7,621,853	5,469,995	7,550,387	20.5	25.1
31 percent	2,247,074	603,188,008	513,758,624	285,927,017	141,969,012	88,637,375	140,438,862	23.3	27.3
Form 8615						-		(2)	(²).
				·	·				
Separate returns of married persons									
Total	2,130,347	65,791,849	46,849,800	28,563,588	10,199,049	6,802,911	10,041,458	15.3	21.4
15 percent (Form 8814) 1	**	**	**	**	**	***	••	(²)	(²)
15 percent	**1,389,918	**21,776,442	**11,744,316	**11,744,315	**1,760,986	**1,761,648	**1,736,083	8.0	14.8
28 percent	605,791	21,687,102	15,989,675	5,146,011	3,067,134	1,440,883	3,059,445	14.1	19.1
 28 percent (capital gains) 3 	3,414.	894,152	721,081	611,053	193,961	171,095	192,112	21.5	. 26.6
31 percent	131,223	21,434,154	18,394,728	11,062,209	5,176,969	3,429,285	5,053,819	23.6	27.5
Form 8615			-			-		(²)	(²)
Returns of heads of households									
Total	9,345,655	243,325,227	130,909,152	96,985,622	22,502,735	16,917,351	20,126,985	8.3	15.4
15 percent (Form 8814) 1	*4,782	*29,537	*3,882	*3,882	*581	581	*280	0.9	7.2
15 percent	8,295,043	176,435,612	80,260,012	80,258,134	12,035,067	12,038,720	9,785,321	5.5	12.2
28 percent	969,105	51,080,567	37,367,288	9,503,691	6,840,552	2,661,033	6,789,249	13.3	18.2
28 percent (capital gains) 3	5,566	1,060,578	928,096	705,224	239,093	197,463	234,030	22.1	25.2
31 percent	71,158	14,718,933	12,349,874	6,514,691	3,387,442	2,019,554	3,318,105	22.5	26.9
Form 8615	-		}	1 -	-	· -	l	(2)	(²)
Returns of single persons					ļ		ļ	i	
Total	37,570,022	819,268,186	565,209,512	350,543,051	107,729,415	70,917,810	107,232,061	13.1	19.0
15 percent (Form 8814) 1	••	••	••			••	••	(²)	(²)
15 percent	**29,020,057	**392,299,482	**221,986,068	**221,985,711	**33,284,190	**33,297,856	**33,176,537	8.5	14.9
28 percent	7,328,214	287,099,698	224,149,806	66,959,606	42,327,503	18,748,690	42,270,502	14.7	18.9
28 percent (capital gains) 3	95,443	11,920,200	9,861,981	6,659,271	2,495,542	1,864,596	2,487,694	20.9	25.2
31 percent	918,769	126,772,383	108,156,135	54,032,299	29,342,781	16,750,013	29,022,868	22.9	26.8
Form 8615	207,539	1,176,423	1,055,522	906,164	279,399	256,655	274,460	23.3	26.0

^{*}Estimate should be used with caution because of the small number of sample returns on which it is based.

^{**}Data are combined with data in an adjacent tax rate class to avoid disclosure of information for specific taxpayers.

¹ Form 8814 was filed for a dependent child under age 14 for whom the parents made an election to report the child's investment income (if it was from interest or dividends totaling between \$500 and \$5,000) on the parent's income tax return. This rate classification is comprised of those returns with a tax liability only from the dependents' income and thus the overall total adjusted gross income for these returns may be negative.

²Percentage not computed.

³Returns with net long-term capital gains taxed at the 28 percent rate.

⁴Form 8615 was filed for a child under age 14 to report the child's investment income in excess of \$1,200. The tax rates varied according to the parent's tax rate. NOTE: Detail may not add to totals because of rounding.

Table 4.-- Returns With Modified Taxable Income: Tax Generated by Rate and by Size of Adjusted Gross Income, Tax Year 1992--Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars]

1				Tax generate	d at specified ra	ate-Continued			
Size of	28 pe	rcent (capital g	ains) ²		31 percent			Form 8615 ³	
adjusted gross income	Number of returns	Income taxed at rate	Tax generated at rate	Number of returns	Income taxed at rate	Tax generated at rate	Number of returns	Income taxed at all rates	Tax generated at all rates
	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
Total	1,484,914	69,609,014	19,490,537	3,368,224	357,536,216	110,836,227	207,539	906,164	256,655
Inder \$2,000							69,421	21,931	5,531
2,000 under \$4,000		•					80,199	123,054	30,615
4,000 under \$6,000							29,286	112,086	28,265
66,000 under \$8,000							*7,450	*40,978	*10,793
8,000 under \$10,000							*2,265	*17,695	*5,382
10,000 under \$12,000							*2,350	*22,572	*4,901
12,000 under \$14,000							*2,480	*25,406	*6,762
14,000 under \$16,000							*4,967	*67,445	*19,715
\$16,000 under \$18,000		•-			-		*2,483	*37,520	*11,737
18,000 under \$20,000 20,000 under \$25,000		-		-	-	-	*1,242	*24,753	*7,745
25,000 under \$30,000							1,242	24,755	7,745
30,000 under \$40,000							*4,446	*149,651	*46,087
40,000 under \$50,000		 ,		*1,514	*20	*6			
50,000 under \$75,000	129,798	837.859	234,598	377,497	2,140,987	663,706	*328	*15,912	*4,883
75.000 under \$100.000	129,074	1,646,359	460,985	335,053	5,591,607	1,733,398			
100,000 under \$200,000	744,751	11,667,196	3,266,822	1,742,708	51,909,064	16,091,810	*481	*70,431	*20,747
200,000 under \$500,000	358,350	14,202,924	3,976,823	711,699	111,953,557	34,705,603			
500,000 under \$1,000,000	80,523	9,161,953	2,565,346	135,779	63,781,993	19,772,418	*40	*33,823	*10,489
1,000,000 or more	42,418	32,092,723	8,985,962	63,973	122,158,989	37,869,287	99	142,908	43,006

^{*} Estimate should be used with caution because of the small number of sample returns on which it is based.

^{**}Data are combined with data in an adjacent adjusted gross income size class to avoid disclosure of information for specific taxpayers.

¹ Form 8814 was filed for a dependent child under age 14 for whom the parents made an election to report the child's investment income (if it was from interest or dividends totaling between \$500 and \$5,000) on the parent's income tax return.

² Returns with net long-term capital gains net taxed at the 28 percent rate.

^a Form 8615 was filed for a child under age 14 to report the child's investment income in excess of \$1,200. The tax rates varied according to the parent's tax rates. NOTE: Detail may not add to totals because of rounding.

Table 5.-- Returns With Modified Taxable Income: Taxable Income and Tax Classified by Each Rate at Which Tax Was Computed and by Filing Status, Tax Years 1991 and 1992
[All figures are estimates based on samples-money amounts are in thousands of dollars]

		1991			1992	
Marginal tax	Number	Income	Income tax	Number	Income	Income tax
rate classes	of	taxed	generated	of	taxed	generated
	returns	at all rates	at rate	returns	at all rates	at rate
	(1)	(2)	(3)	(4)	(5)	(6)
All returns		\ <u>-</u> /				(0)
	00 000 500	0 004 440 705	450 040 470	00 000 000	0.000 470 560	404 005 000
Total	92,622,506	2,284,443,795	453,840,479	90,623,988	2,396,178,563	481,895,692
15 percent (Form 8814) 1	153,428 92,602,781	85,640 1,498,599,783	12,898 224,789,967	141,678 90,604,369	79,945 1,536,560,958	11,988 230,484,144
15 percent	25,986,853	426,754,764	119,491,334	24,904,092	431,486,266	120,816,155
28 percent (capital gains) 2	1,264,046	57,273,877	16,036,685	1,484,914	69,609,014	19,490,524
31 percent	3,372,671	300,784,659	93,243,244	3.368.224	357,536,216	110.836,227
Form 8615 3	287,777	945,073	266,350	207,539	906,164	256.655
Joint returns and returns	20.,		200,000	201,000	000,101	
of surviving spouses		·				
Total	42,552,750	1,569,608,554	319,704,797	41,577,964	1,653,210,099	341,446,825
15 percent (Form 8814) 1	140,430	79,068	11,913	124,233	71,737	10,757
15 percent	42,539,555	976,601,775	146,490,266	41,567,411	1,000,157,572	150,023,636
28 percent	15,531,286	310,127,830	86,835,792	14,811,825	314,075,698	87,941,195
28 percent (capital gains) 2	902,419	43,371,254	12,143,951	1,043,953	52,978,075	14,833,861
31 percent	2,247,389	239,428,627	74,222,874	2,247,074	285,927,017	88,637,375
Form 8615 3				-		
Separate returns of married persons						· ·
married persons	•					
Total	1,976,965	42,501,653	9 ,238,578	2,130,347	46,849,800	10,200,058
15 percent (Form 8814) 1	215	107	16	264	119	18
15 percent	1,976,916	22,702,682	3,405,402	2,130,340	24,997,973	3,749,696
28 percent	745,847	8,433,550	2,361,394	740,082	8,521,454	2,386,007
28 percent (capital gains) 2	31,229	1,716,052	480,495	35,420	2,268,045	635,053
31 percent	136,037	9,649,261 	2,991,271-	131,223	11;062;209 	3,429,285
Returns of heads						
of households						
Total	9,219,293	127,122,233	21,893,820	9,345,655	130,909,152	22,506,660
15 percent (Form 8814) 1	11,708	5,913	886	16,043	7,698	1,155
15 percent		106,698,534	16,004,780	9,340,873	110,325,715	16,548,857
28 percent	1,118,385	13,380,593	3,746,566	1,042,573	12,797,104	3,583,189
28 percent (capital gains) 2	23,104	1,331,392	372,790	26,611	1,263,943	353,904
31 percent	75,896	5,705,801	1,768,798	71,158	6,514,691	2,019,554
Form 8615 3					-	
Returns of single persons	•					
Total	38,873,498	545,211,356	103,003,284	37,570,022	565,209,512	107,742,150
15 percent (Form 8814) 1	1,075	552	83	1,138	389	58
15 percent	38,868,309	392,596,791	58,889,519	37,565,745	401,079,698	60,161,955
28 percent	8,591,334	94,812,791	26,547,581	8,309,613	96,092,011	26,905,763
28 percent (capital gains) 2	307,293	10,855,179	3,039,450	378,930	13,098,950	3,667,706
31 percent	913,349	46,000,970	14,260,301	918,769	54,032,299	16,750,013
Form 8615 3	287,777	945,073	266,350	207,539	906,164	256,655

^{*} Estimate should be used with caution because of the small number of sample returns on which it is based.

¹ Form 8814 was filed for a dependent child under age 14 for whom the parents made an election to report the child's investment income (if it was from interest or dividends totaling between \$500 and \$5,000) on the parent's income tax return.

² Returns with net long-term capital gains net taxed at the 28 percent rate.

³ Form 8615 was filed for a child under age 14 to report the child's investment income in excess of \$1,100 (\$1,200 for 1992). The tax rates varied according to the parent's

NOTE: Detail may not add to totals because of rounding.

Table 6.--Returns with Positive Adjusted Gross Income (AGI): Number of Returns, Shares of AGI and Total Income Tax, AGI Floor on Percentiles in Current and Constant Dollars, and Average Tax Rates, by Selected Descending Cumulative Percentiles of Returns Based on Income Size Using the Definition of AGI for Each Year, Tax Years 1980-1992 [All figures are estimates based on samples]

	l	Descending cumulative percentiles					
Item, tax year	Total	Тор	Тор	Тор	Тор	Тор	
		1 percent	5 percent	10 percent	25 percent	50 percent	
	(1)	(2)	(3)	(4)	(5)	(6)	
mber of returns: 1							
1980	93,238,823	932,388	4,661,941	9,323,882	23,309,706	46,619,41°	
1981	94,586,878	945,869	4,729,344	9,458,688	23,646,719	47,293,43	
1982	94,426,498	944,265	4,721,325	9,442,650	23,606,624	47,213,24	
1983	95,330,713	953,307	4,766,536	9,533,071	23,832,678	47,665,35	
1984	98,435,000	984,350	4,921,750	9,843,500	24,608,750	49,217,50	
1985	100,625,484	1,006,255	5.031.274	10,062,548	25,156,371	50,312,74	
1986	102,087,623	1,020,876	5,104,381	10,208,762	25,521,906	51,043,81	
1987	106,154,761	1.061.548	5,307,738	10,615,476	26,538,690	53,077,38	
1988	108,872,859	1,088,729	5,443,643	10,887,286	27,218,214	54,436,42	
1989	111,312,721	1,113,127	5,565,636	11,131,272	27,828,181	55,656,36	
1990	112,812,262	1,128,123	5,640,613	11,281,226	28,203,066	56,406,13	
1991	113,804,104	1,138,041	5,690,205	11,380,410	28,451,026	56,902,05	
1992	112,652,759	1,126,528	5,632,638	11,265,276	28,163,190	56,326,38	
justed gross income floor on percentiles		,	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	,,		00,020,00	
current dollars):							
980	N/A	80,580	43,792	35,070	23,606	12.93	
981	N/A	85,428	47,845	38,283	25,655	14,00	
982	N/A	89,388	49,284	39,676	27,027	14,53	
983	N/A	93,512	51,553	41,222	27,827	15.04	
984	N/A	100,889	55,423	43,956	29,360	15,04	
985		108,134	58.883	46,322	30,928	16,68	
986	N/A	118,818	62,377	48,656			
987	N/A	139,289	68,414	52,921	32,242 33,983	17,30	
988	N/A	157,136	72,735			17,76	
989	N/A	163,869		55,437	35,398	18,36	
1990	N/A		76,933	58,263	36,839	18,99	
1991	N/A	167,421	79,064	60,287	38,080	19,76	
1992	N/A N/A	170,139 181,904	81,720 85,103	61,944 64,457	38,929 40,378	20,09 20,80	
justed gross income floor on percentiles constant dollars): ² 1980	N/A	97,791	53,146	42,561	00.640	45.00	
1981	N/A				28,648	15,69	
1982	N/A	93,980 92,630	52,635	42,116	28,223	15,40	
1983	N/A		51,072	41,115	28,007	15,06	
1984		93,888	51,760	41,388	27,939	15,10	
	N/A	97,102	53,343	42,306	28,258	15,39	
1985	N/A	100,496	54,724	43,050	28,743	15,50	
986	N/A	108,411	56,913	44,394	29,418	15,78	
1987	N/A	122,614	60,224	46,585	29,915	15,64	
988	N/A	132,828	61,484	46,861	29,922	15,52	
989	N/A	132,152	62,043	46,986	29,709	15,31	
990	N/A	128,096	60,493	46,126	29,135	15,12	
991	N/A	124,919	60,000	45,480	28,582	14,75	
992	N/A	129,654	60,658	45,942	28,780	14,82	
usted gross income (millions of dollars): 3							
980	1,626,555	137,668	341,790	522,685	922,300	1,338,97	
981	1,791,116	148,722	372,171	572,719	1,015,006	1,473,26	
982	1,875,872	167,109	398,189	605,159	1,065,241	1,543,63	
983	1,969,600	182,895	428,162	645,661	1,127,019	1,625,28	
984	2,173,228	209,899	482,266	722,552	1,250,911	1,794,30	
985	2,343,989	235,095	531,372	791,481	1.358.860	1,939,35	
986	2,524,124	285,197	608,467	886,510	1,490,173	2,103,569	
	2,813,728	346,635	722,221	1,038,221	1,709,389	2,103,369	
					1,950,860		
1987		473 527	1 890 702 I				
19871988	3,124,156	473,527 468 079	890,702 918.421	1,232,536			
1987 1988 1989	3,124,156 3,298,858	468,079	918,421	1,286,539	2,054,478	2,657,865 2,805,235	
1987 1988 1989 1990	3,124,156						

Table 6.--Returns with Positive Adjusted Gross Income (AGI): Number of Returns, Shares of AGI and Total Income Tax, AGI Floor on Percentiles in Current and Constant Dollars, and Average Tax Rates, by Selected Descending Cumulative Percentiles of Returns Based on Income Size Using the Definition of AGI for Each Year, Tax Years 1980-1992--Continued [All figures are estimates based on samples]

		Descending cumulative percentiles						
Item, tax year	Total	Тор	Тор	Тор	Тор	Тор		
		1 percent	5 percent	10 percent	25 percent	50 percent		
	(1)	(2)	(3)	(4)	(5)	(6)		
Total income tax (millions of dollars): 4		;				,		
1980	250,240	48.270	92,773	123,799	182.966	232,662		
1981		50,820	100,423	136,928	205,665	262,913		
1982	277,470	53,528	100,958	135,394	201,466	257,160		
1983		56,806	103,350	137,256	200,897	254,561		
1984		65,707	116,512	154,142	222,515	279,574		
1985		72,581	127,880	168,907	241,887	302,401		
1986		94,491	156,240	200,703	278,976	343,289		
1987		91,559	159,642	205,230	283,857	346,655		
1988		113,841	188.303	236,411	321,297	389,145		
1989		109,259	190,188	241,458	334.258	407,599		
1990		112,338	195,088	247,514	344,340	421,075		
		111,267	194,480	250,282				
1991 1992	470,049				346,511	423,759		
	476,163	131,156	218,479	276,213	373,700	452,070		
Average tax rate (percentage): 5	'							
1980		35.06	27.14	23.69	19.84	17.38		
1981		34.17	26.98	23.91	20.26	17.85		
1982		32.03	25.35	22.37	18.91	16.66		
1983		. 31.06	24.14	21.26	17.83	15.66		
1984	13.87	31.30	24.16	21.33	17.79	15.58		
1985	13.89	30.87	24.07	21.34	17.80	15.59		
1986	14.54	33.13	25.68	22.64	18.72	16.32		
1987	13.12	26.41	22.10	19.77	16.61	14.60		
1988	13.21	24.04	21.14	19.18	16.47	14.64		
1989		23.34	20.71	18.77	16.27	14.53		
1990	12.95	23.25	20.46	18.50	16.06	14.36		
1991	12.75	24.37	20.62	18.63		14.20		
1992	12.94	25.05	21.19	19.13	16.25	14.44		
Adjusted gross Income share (percentage):		1						
1980	100.00	8.46	21.01	32.13	56.70	82.32		
	1	8.30	20.78	31.98				
1981	1 ::::::	8.91	21.23	31.96	56.67 56.79	82.25 82.29		
1982 1983		9.29	21.74	32.78	57.22	82.52		
1984		9.66	22.19	33.25	57.56	82.56		
1985		10.03	22.19	33.77	57.97	82.74		
1986		11.30	24.11	35.12	59.04	83.34		
		12.32						
1987			25.67	36.90	60.75	84.37		
1988		15.16	28.51	39.45	62.44	85.07		
1989		14.19	27.84	39.00	62.28	85.04		
1990	1	14.00	27.62	38.77	62.13	84.97		
1991		12.99	26.83	38.20	61.85	84.87		
1992	100.00	14.23	28.01	39.23	62.47	85.08		
Total income tax share (percentage):	*	·		1	Į.			
1980	100.00	19.29	37.07	49.47	73.12	92.98		
1981	100.00	17.89	35.36	48.22	72.42	92.58		
1982	. 100.00	19.29	36.39	48.80	72.61	92.68		
1983		20.73	37.71	50.08	73.31	92.89		
1984		21.79	38.64	51.12	73.80	92.73		
1985	1	22.30	39.28	51.89	74.31	92.90		
1986		25.75	42.57	54.69	76.02	93.54		
1987		24.81	43.26	55.61	76.92	93.93		
1988		27.58	45.62	57.28	77.84	94.28		
1989.		25.24	43.94	55.78	77.22	94.17		
1990		25.13	43.64	55.36	77.02	94.19		
1991		24.82	43.38	55.82	77.29	94.52		
1992	T .	27.54	45.88	58.01	78.48	94.94		
Factories at and of Table 7	.1 100.00	· · · · · · · · · · · · · · · · · · ·	1 70.00	30.01	1 70.70			

Table 7.--Returns with Positive Adjusted Gross Income (AGI): Number of Returns, Shares of AGI and Total Income Tax, AGI Floor on Percentiles, and Average Tax Rates, by Selected Ascending Cumulative Percentiles of Returns Based on Income Size Using the Definition of AGI for Each Year, Tax Years 1980-1992

[All figures are estimates based on samples]

			Ascend	ling cumulative pe	ercentiles	es		
Item, tax year	Total	Bottom Bottom Bottom Bottom Bottom						
		50 percent	75 percent	90 percent	95 percent	99 percent		
	(1)	(2)	(3)	(4)	(5)	(6)		
lumber of returns:1								
1980	93,238,823	46,619,411	69,929,117	83.914.941	88,576,882	92,306,435		
1981	94,586,878	47,293,439	70,940,158	85,128,190	89,857,534	93,641,009		
1982	94,426,498	47,213,249	70,819,873	84,983,848	1 ' '			
1983	95,330,713	47,665,356	71,498,035	85,797,642	89,705,173	93,482,233		
1984	98,435,000	49,217,500	73,826,250		90,564,177	94,377,406		
1985	100,625,484	50,312,742		88,591,500	93,513,250	97,450,650		
1986	102,087,623		75,469,113	90,562,936	95,594,210	99,619,229		
1987		51,043,811	76,565,717	91,878,861	96,983,242	101,066,747		
1988	106,154,761 108,872,858	53,077,380	79,616,071	95,539,285	100,847,023	105,093,213		
		54,436,429	81,654,643	97,985,572	103,429,215	107,784,129		
1989	111,312,721	55,656,361	83,484,542	100,181,451	105,747,087	110,199,596		
1990	112,812,262	56,406,132	84,609,198	101,531,038	107,171,651	111,684,141		
1991	113,804,104	56,902,052	85,353,078	102,423,694	108,113,899	112,666,063		
1992	112,652,759	56,326,380	84,489,560	101,387,483	107,020,121	111,526,231		
djusted gross income (millions of dollars): 1								
1980	1,626,555	287,576	704,255	1,103,869	1,284,765	1,488,886		
1981	1,791,116	317,848	776,110	1,218,397	1,418,945	1,642,393		
1982	1,875,872	332,238	810.630	1,270,713	1,477,682	1,708,762		
1983	1,969,600	344,313	842,581	1,323,939	1,541,438	1,786,705		
1984	2.173.228	378,925	922,317					
1985	2,343,989	404,637	985,129	1,450,676	1,690,962	1,963,329		
1986	, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,			1,552,508	1,812,617	2,108,894		
1987	2,524,124	420,555	1,033,951	1,637,614	1,915,657	2,238,927		
	2,813,728	439,859	1,104,338	1,775,506	2,091,507	2,467,093		
1988	3,124,156	466,291	1,173,296	1,891,620	2,233,454	2,650,629		
1989	3,298,858	493,623	1,244,380	2,012,319	2,380,437	2,830,779		
1990	3,451,237	518,700	1,307,060	2,113,205	2,497,900	2,967,985		
1991	3,516,142	532,138	1,341,377	2,172,939	2,572,792	3,059,539		
1992	3,680,552	549,152	1,381,151	2,236,768	2,649,459	3,156,966		
Total income tax (millions of dollars): 4					i			
1980	250,240	17,578	67,274	126,441	157,467	201,971		
1981	283,993	21,080	78,329	147,065	183,570	233,173		
1982	277,470	20,310	76,005	142,076	176,512	223,942		
1983	274,056	19,495	73,159	136,799	170,706	217,250		
1984	301,504	21,930	78,990	147,362				
1985	325,525	23,124			184,992	235,797		
1986	366,979		83,638	156,618	197,645	252,944		
1987		23,690	88,002	166,276	210,739	272,488		
	369,046	22,391	85,189	163,816	209,404	277,488		
1988	412,761	23,616	91,464	176,350	224,459	298,920		
1989	432,838	25,239	98,580	191,380	242,650	323,579		
1990	447,061	25,986	102,721	199,547	251,973	334,723		
1991	448,349	24,554	101,837	198,067	253,869	337,081		
1992	476,163	24,093	102,463	199,950	257,683	345,007		
\verage tax rate (percentage): 5								
1980	15.38	6,11	9.55	11.45	12.26	13.57		
1981	15.86	6.63	10.09	12.07	12.94	14.20		
1982	14.79	6.11	9.38	11.18	11.95	14.20		
1983	13.91	5.66	8.68	10.33	11.07	-		
1984	13.87	5.79	8.56	10.33		12.16		
1985	13.89	5.79 5.71	8.49		10.94	12.01		
1986	14.54		- 1 -	10.09	10.90	11.99		
		5.63	8.51	10.15	11.00	12.17		
1987	13.12	5.09	7.71	9.23	10.01	11.25		
1988	13.21	5.06	7.80	9.32	10.05	11.28		
1989	13.12	5.11	7.92	9.51	10.19	11.43		
1990	12.95	5.01	7.86	9.44	10.09	11.28		
1991	12.75	4.61	7.59	9.12	9.87	11.04		
1992	12.94	4.39	7.42	8.94	9.73	10.93		

Footnotes at end of table.

Table 7.—Returns with Positive Adjusted Gross Income (AGI): Number of Returns, Shares of AGI and Total Income Tax, AGI Floor on Percentiles, and Average Tax Rates, by Selected Ascending Cumulative Percentiles of Returns Based on Income Size Using the Definition of AGI for Each Year, Tax Years 1980-1992—Continued

[All figures are estimates based on samples]

		Ascending cumulative percentiles						
Item, tax year	Total	Bottom	Bottom	Bottom	Bottom	Bottom		
		50 percent	75 percent	90 percent	95 percent	99 percen		
	(1)	(2)	(3)	(4)	(5)	(6)		
Adjusted gross income share (percentage):								
1980	100.00	17.68	43.30	67.87	78.99	91.54		
1981	100.00	17.75	43.33	68.02	79.22	91.70		
1982	100.00	17.71	43.21	67.74	78.77	91.09		
1983	100.00	17.48	42.78	67.22	78.26	90.71		
1984	100.00	17.44	42.44	66.75	77.81	90.34		
1985	100.00	17.26	42.03	66.23	77.33	89.97		
1986	100.00	16.66	40.96	64.88	75.89	88.70		
1987	100.00	15.63	39.25	63.10	74.33	87.68		
1988	100.00	14.93	37.56	60.55	71.49	84.84		
1989	100.00	14.96	37.72	61.00	72.16	85.81		
1990	100.00	15.03	37.87	61.23	72.38	86.00		
1991	100.00	15.13	38.15	61.80	73.17	87.01		
1992	100.00	14.92	37.53	60.77	71.99	85.77		
otal income tax share (percentage):								
1980	100.00	7.02	26.88	50.53	62.93	80.71		
1981	100.00	7.42	27.58	51.78	64.64	82.11		
1982	100.00	7.32	27.39	51.20	63.61	80.71		
1983	100.00		26.69	49.92	62.29	79.27		
1984	100.00	7.27	26.20	48.88	61.36	78.21		
1985	100.00	7.10	25.69	48.11	60.72	77.70		
1986	100.00	6.46	23.98	45.31	57.43	74.25		
1987	100.00	6.07	23.08	44.39	56.74	75.19		
1988	100.00	5.72	22.16	42.72	54.38	72.42		
1989	100.00	5.83	22.78	44.22	56.06	74.76		
1990	100.00	5.81	22.98	44.64	56.36	74.87		
1991	100.00	5.48	22.71	44.18	56.62	75.18		
1992	100.00	5.06	21.52	41.99	54.12	72.46		

N/A-- not applicable.

¹ The number of returns with negative adjusted gross income, i.e., returns with an adjusted gross deficit, and the corresponding amounts for adjusted gross deficit, were excluded from Tables 6 and 7. By excluding deficit returns, alternative minimum tax reported on some of these returns was also excluded. For Tax Years 1991 and 1992, there were 4,261 and 4,808 returns with no adjusted gross income that reported alternative minimum tax totaling \$53.7 million and \$62.4 million, respectively.

² Constant dollar estimates were based on the Consumer Price Index (CPI-U 1982-84=100) computed and reported by the U.S. Department of Labor, Bureau of Labor Statistics and published in the Economic Report of the President, February 1995.

³ See footnote 1.

⁴ Total income tax is the sum of income tax after credits and alternative minimum tax reported on returns that showed a positive amount for adjusted gross income. Therefore, total income tax excludes alternative minimum tax reported on some returns with a negative amount for adjusted gross income. See also footnote 1.

⁵ The average tax rate was computed by dividing total income tax (see footnote 4) by (positive) adjusted gross income.

Table 8.--Returns with Positive Income: Number of Returns, Shares of Income Based on the 1979 Income Concept, and Total Income Tax, Income Floor on Percentiles in Current and Constant Dollars, and Average Tax Rates, by Selected Descending Cumulative Percentiles of Returns Based on Income Size Using the 1979 Income Concept, Tax Years 1985-1992
[All figures are estimates based on samples]

		Descending cumulative percentiles						
Item, tax year	Total	Тор	Тор	Тор	Тор	Тор		
, ·		1 percent	5 percent	10 percent	25 percent	50 percent		
	(1)	(2)	(3)	(4)	(5)	(6)		
lumber of returns:1			1	- 17				
1985	100,215,784	1,002,158	5,010,789	10,021,578	25,053,946	50,107,892		
1986	100,215,764	1,002,156	5,010,789	10,021,576	25,053,946 25,470,265	50,107,692		
1987	106,128,238 108,831,700	1,061,282 1,088,317	5,306,412 5,441,585	10,612,824 10,883,170	26,532,059 27,207,925	53,064,119 54,415,850		
1988			, , ,					
1989	111,273,993	1,112,740	5,563,700	11,127,399	27,818,498	55,636,996		
1990	112,644,099	1,126,441	5,632,205	11,264,410	28,161,025	56,322,049		
1991	113,755,078	1,137,551	5,687,754	11,375,508	28,438,769	56,877,539		
1992	112,593,838	1,125,938	5,629,692	11,259,384	28,148,459	56,296,919		
ncome floor on percentiles (current dollars):			Ì					
1985	N/A	125,454	63,509	49.092	31,977	17,101		
1986	N/A	147,688	68,347	52,034	33,630	17,915		
1987	N/A	145.646	69,216	53,092	34,166	17,960		
1988	N/A	161.795	73,442	55,524	35,432	18,531		
1989	N/A	169.588	77,552	58,436	36,789	19,156		
	N/A	174,721	80,408	60,630	38,032	19,948		
1990		· '						
1991	N/A	180,316	83,317	62,421	38,916	20,304		
1992	N/A	197,080	87,389	65,295	40,423	21,039		
ncome floor on percentiles (constant dollars):2								
1985	N/A	116,593	59,023	45,625	29,718	15,893		
1986	N/A	134,752	62,360	47,476	30,684	16,346		
1987	N/A	128,210	60.930	46.736	30.076	15.810		
1988	N/A	136,767	62,081	46,935	29,951	15,664		
1989	N/A	136,765	62,542	47,126	29,669	15,448		
1990	N/A	133,681	61,521	46,389	29,099	15,262		
1991	N/A	132,391	61,173	45,830	28,573	14,907		
	N/A	140.470	62.287	46,540	28,812	14,996		
1992	IN/A	140,470	02,287	46,340	20,012	14,990		
Income (millions of dollars):		i						
1985	2,502,868	301,734	628,546	905,119	1,495,580	2,091,694		
1986	2,801,375	426,237	795,034	1,095,304	1,729,360	2,365,312		
1987	2,854,624	363,729	748,879	1,066,870	1,740,792	2,410,410		
1988	3,152,156	484,475	910,840	1,254,591	1,972,166	2,682,269		
1989	3,335,581	486,816	947,005	1,317,118	2,084,226	2,837,477		
1990	3,494,266	503,585	986,110	1,374,485	2,179,930	2,971,249		
1991	3,575,798	478,588	985,238	1,390,402	2,224,033	3,037,065		
1992	3,760,326	556,143	1,089,411	1,508,861	2,368,211	3,204,199		
Total income tax (millions of dollars):3	0,, 00,000	1	',,,,,,,,	1,000,00	_,_,_,_,	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		
•	204 200	07.047	404 505	400 405	200 040	000 440		
1985	324,299	67,217	121,525	162,495	236,042	298,149		
1986	366,468	92,954	155,301	198,577	277,253	341,982		
1987	368,902	89,885	158,481	204,039	282,946	346,203		
1988	412,540	112,191	186,803	235,147	320,142	388,632		
1989	432,643	107,515	188,568	240,198	333,255	407,091		
1990	446,896	110,560	192,975	245,850	342,901	420,334		
1991	448,176	107,908	192,511	246,715	345,154	423,175		
1992	476,067	127,345	216,267	272,317	372,358	451,501		
Average tax rate (percentage): 4	-,	} '	1	ļ · ·				
	12.96	22.28	19.33	17.95	15.78	14.25		
1985								
1986	13.08	21.81	19.53	18.13	16.03	14.46		
1987	12.92	24.71	21.16	19.13	16.25	14.36		
1988	13.09	23.16	20.51	18.74	16.23	14.49		
1989	12.97	22.09	19.91	18.24	15.99	14.35		
1990	12.79	21.95	19.57	17.89	15.73	14.15		
1991	12.53	22.55	19.54	17.74	15.52	13.93		
1992	12.66	22.90	19.85	18.05	15.72	14.09		

Footnotes at end of Table 9.

Table 8.—Returns with Positive Income: Number of Returns, Shares of Income Based on the 1979 Income Concept, and Total Income Tax, Income Floor on Percentiles in Current and Constant Dollars, and Average Tax Rates, by Selected Descending Cumulative Percentiles of Returns Based on Income Size Using the 1979 Income Concept, Tax Years 1985-1992—Continued

All figures are estimates based on samples									
	* 1	Descending cumulative percentiles							
Item, tax year	Total	Top 1 percent	Top 5 percent	Top 10 percent	Top 25 percent	Top 50 percent			
	(1)	(2)	(3)	(4)	(5)	(6)			
come share (percentage):	,								
1985	100.00	12.06	25.11	36.16	59.75	83.57			
1986	100.00	15.22	28.38	39.10	61.73	84.43			
1987	100.00	12.74	26.23	37.37	60.98	84.44			
1988	100.00	15.37	28.90	39.80	62.57	85.09			
1989	100.00	14.59	28.39	39.49	62.48	85.07			
1990	100.00	14.41	28.22	39.34	62.39	85.03			
991	100.00	13.38	27.55	38.88	62.20	84.93			
1992	100.00	14.79	28.97	40.13	62.98	85.21			
tal income tax share (percentage):			1	*					
1985	100.00	20.73	37.47	50.11	72.79	91.94			
986	100.00	25.36	42.38	54.19	75.66	93.32			
987	- 100.00 `	24.37	42.96	55.31	76.70	93.85			
988	100.00	27.20	45.28	57.00	77.60	94.20			
1989	100.00	24.85	43.59	55.52	77.03	94.09			
990	100.00	24.74	43.18	55.01	76.73	94.06			
1991	100.00	24.08	42.95	55.05	77.01	94.42			
1002	100.00	26.75	45.43	57.20	78.22	94.84			

Footnotes at end of Table 9.

Table 9.--Returns with Positive Income: Number of Returns, Shares of Income Based on the 1979 Income Concept, and Total Income Tax, Income Floor on Percentiles, and Average Tax Rates, by Selected Ascending Cumulative Percentiles of Returns Based on Income Size Using the 1979 Income Concept, Tax Years 1985-1992

[All figures are estimates based on samples]

		Ascending cumulative percentiles						
Item, tax year	Total	Bottom	Bottom	Bottom	Bottom	Bottom		
• •		50 percent	75 percent	90 percent	95 percent	99 percent		
	(1)	(2)	(3)	(4)	(5)	(6)		
Number of returns: 1		 			- 197	 		
1985	100,215,784	50,107,892	75,161,838	90,194,206	95,204,995	99,213,626		
1986		50,940,531	76,410,796	91,692,956	96,787,009	100,862,251		
1987		53,064,119	79,596,178					
1988		54,415,850	81,623,775	95,515,414 97,948,530	100,821,826	105,066,956		
1989		55,636,996	83,455,495			107,743,383		
1990		56,322,049	84,483,074	100,146,594	105,710,293	110,161,253		
1991	_,_,	4 ' '		101,379,689	107,011,894	111,517,658		
1992	113,755,078 112,593,838	56,877,539 56,296,919	85,316,308 84,445,378	102,379,570 101,334,454	108,067,324 106,964,146	112,617,527		
	112,090,000	30,290,919	04,445,576	101,334,434	100,904,140	111,467,900		
Income (millions of dollars):		444.470	4 007 000	4 505 - 40		l		
1985		411,173	1,007,288	1,597,749	1,874,322	2,201,134		
1986	2,801,375	436,063	1,072,015	1,706,071	2,006,341	2,375,138		
1987		444,214	1,113,832	1,787,754	2,105,745	2,490,895		
1988	3,152,156	469,887	1,179,990	1,897,565	2,241,316	2,667,681		
1989		498,104	1,251,355	2,018,463	2,388,576	2,848,765		
1990	3,494,266	523,018	1,314,336	2,119,781	2,508,156	2,990,681		
1991		538,733	1,351,765	2,185,396	2,590,560	3,097,210		
1992	3,760,326	556,126	1,392,115	2,251,465	2,670,914	3,204,183		
Total income tax (millions of dollars): 3	l							
1985	324,299	26,149	88,257	161,804	202,773	257,082		
1986	366,468	24,486	89,214	167,891	211,167	273,513		
1987	368,902	22,699	85,956	164,863	210,421	279,017		
1988	412,540	23,908	92,398	177,393	225,737	300,349		
1989		25,552	99,387	192,445	244,075	325,128		
1990	446,896	26,561	103,994	201,046	253,921	336,336		
1991	448,176	25,001	103,022	201,461	255,665	340,267		
1992	476,067	24,567	103,709	203,740	259,801	348,722		
Average tax rate (percentage): 4	1	Ì]			}		
1985	I	6.36	8.76	10.13	10.82	11.68		
1986		5.62	8.32	9.84	10.52	11.52		
1987		5.11	7.72	9.22	9.99	11.20		
1988		5.09	7.83	9.35	10.07	11.26		
1989		5.13	7.94	9.53	10.22	11.41		
1990		5.08	7.91	9.48	10.12	11.25		
1991	12.53	4.64	7.62	9.22	9.87	10.99		
1992	12.66	4.42	7.45	9.05	9.73	10.88		
Income share (percentage):								
1985	100.00	16.43	40.25	63.84	74.89	87.94		
1986	100.00	15.57	38.27	60.90	71.62	84.78		
1987	100.00	15.56	39.02	62.63	73.77	87.26		
1988	100.00	14.91	37.43	60.20	71.10	84.63		
1989	100.00	14.93	37.52	60.51	71.61	85.41		
1990		14.97	37.61	60.66	71.78	85.59		
1991	100.00	15.07	37.80	61.12	72.45	86.62		
1992	100.00	14.79	37.02	59.87	71.03	85.21		
Total income tax share (percentage):]		ļ			
1985	100.00	8.06	27.21	49.89	62.53	79.27		
1986	100.00	6.68	24.34	45.81	57.62	74.64		
1987	100.00	6.15	23.30	44.69	57.04	75.63		
1988	100.00	5.80	22.40	43.00	54.72	72.80		
1989	100.00	5.91	22.97	44.48	56.41	75.15		
1990	100.00	5.94	23.27	44.99	56.82	75.26		
1991	100.00	5.58	22.99	44.95	57.05	75.92		
1992	100.00	5.16	21.78	42.80	54.57	73.25		

N/A--Not applicable.

¹ The number of returns in columns 2 through 6, Tables 8 and 9, were processed in thousands and, therefore, reflect differences due to rounding .

² See footnote 2 at the end of Table 7.

³ Total income tax is the sum of income tax after credits and the alternative minimum tax.

⁴ Average tax rate was computed by dividing total income tax (see footnote 3) by income, using the 1979 income concept (see text and Figure A). NOTE: Detail may not add to totals because of rounding.